



HENDERSON  
LIBRARIES



*Henderson Libraries staff at Staff Renewal Day 2018*

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

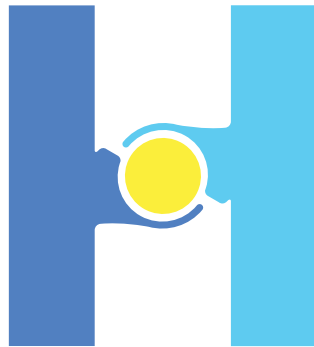
Fiscal Year Ended June 30, 2018

HENDERSON DISTRICT PUBLIC LIBRARIES, NEVADA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2018

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# HENDERSON LIBRARIES

Report Prepared By:  
Debra M. Englund  
Chief Financial Officer  
Henderson District Public Libraries  
280 South Green Valley Parkway  
Henderson, Nevada 89012

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HENDERSON DISTRICT PUBLIC LIBRARIES, NEVADA  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
FISCAL YEAR ENDED JUNE 30, 2018

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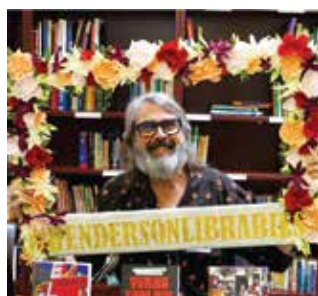
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# INTRODUCTORY section



**Local Author Showcase:** the fifth annual Local Author Showcase featured New York Times Award Winning Author Robyn Carr and spotlighted over 60 authors from the Las Vegas Valley. *March 17, 2018.*

November 7, 2018

To the Board of Trustees and the Citizens of the Henderson District Public Libraries:

We are pleased to present Henderson District Public Libraries' Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018. This report contains the financial statements and other financial information and statistical data that provide complete and full disclosure of all material aspects of the Henderson District Public Libraries (the District). The financial statements in this CAFR conform to generally accepted accounting principles (GAAP) as applicable to governmental entities.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Nevada Revised Statute (NRS) 354.624 requires an annual audit by independent certified public accountants. The accounting firm of HintonBurdick CPAs & Advisors was selected to perform the fiscal year 2018 audit and has issued an unmodified ("clean") opinion on the Henderson District Public Libraries' financial statements for the year ended June 30, 2018. The independent auditor's report is located in the front of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

### **Profile of Henderson District Public Libraries**

The District's history begins in 1943 when a petition was formed to create the Henderson School Public Library. The petition was approved by the Board of County Commissioners, Clark County, Nevada on January 22, 1944, with a rate of ten cents for ad valorem property taxes per annum fixed for the expenses. In an attempt to overhaul educational laws, the Henderson School Public Library became a county library district in 1956 during a special session of the Nevada Legislature. At that time, statutes providing for public libraries based on school district boundaries were replaced and county library districts were automatically established with identical boundaries. Since that time, library district boundaries have been adjusted three times. The latest adjustment, in April 2005, made the library district boundaries contiguous with the City of Henderson boundaries.

The District was established and operates as an independent governmental unit under authority of NRS 379. The District is governed by a seven-member Board of Trustees. Five trustees are appointed to four-year terms by the Board of County Commissioners of Clark County, Nevada. The remaining two trustees are appointed to three-year terms by the City of Henderson Council. The Board of Trustees is responsible for establishing policy and for the overall operations of the District.

The mission of the District is to imagine possibilities, discover opportunities and connect with our community. This mission is achieved through the operation of three full service libraries and one limited service library located throughout the city.

The District is required to adopt a final budget on or before June 1<sup>st</sup> of each year. This annual budget serves as the foundation for the District's financial planning and control. The budget is prepared by fund and function but management is authorized to transfer resources between functions or funds if the amounts do not exceed total appropriations for the year and the Board of Trustees is notified at the next regular meeting.

### **Factors Affecting Financial Conditions**

**Local Economy** - According to UNLV's Center for Business and Economic Research (CBER), Clark County experienced favorable signals in local economic activity. Seasonally adjusted employment added 1,600 new jobs from March to April and the unemployment rate ticked down to 5.1%. April visitor volume was relatively flat compared to last year with only a .03% decline. Total McCarran Airport passengers and gaming revenue rose by 3.1% and 8.1%, respectively, during the same period. March taxable sales experienced a yearly gain of 2.3%, while gasoline sales dropped by 2.4% year-over-year. November residential housing permits rose strongly by 40.8% year-over-year.

### **Long-term Financial Planning**

Long range financial planning is vital in prioritizing implementation of strategic plan initiatives as well as capital needs of the District. State projections indicate increased property tax valuations will continue in 2019 and beyond. However, property tax revenues will be slow to recover to pre-recession levels due to the property tax limits in place. Management strives to balance increasing expenditures with the restricted revenue flow. A 5-year projection model is used to aid management in determining short-term budgeting for operations and prioritizing long term capital needs.

Through conservative and sound stewardship of resources during the past volatile economic period, the District has managed to maintain a higher ending fund balance, higher than the 5% - 10% ratio of ending fund balance to general fund expenditures, which is considered a healthy financial cushion. Over the next several years, the District will use a portion of this excess surplus to fund projects identified in the District's recently updated Capital Improvement Plan.

**Major Initiatives** - The District expanded its partnership with Workforce Connections in fiscal year 2018 by opening a second One-Stop Career Center in our libraries. Library patrons will benefit from the job development resources offered, and the District has positioned itself to assist in workforce development in the community through this partnership.

Henderson Libraries introduced a new digital offering, Kanopy, to our patrons during FY18. Kanopy is a service that allows our patrons to stream films free with their library card. With an eye toward thoughtful entertainment, the selections on Kanopy include a wide variety of foreign films, independent films and documentaries. Additionally, we are providing cardholders with access to Kanopy Kids where parents can stream educational and engaging videos for children of all ages.

Facility improvements have also been identified as a key strategic initiative because the physical environment impacts the experience our patrons have in our facilities. This year, the District upgraded existing lighting to LED lighting at all three free-standing libraries, replaced the HVAC automation system at the Green Valley Library, and renovated the landscaping and irrigation system at the Green Valley Library. The District will continue to make appropriations in subsequent budget years to improve and update facilities. Some planned improvements include flooring replacements and painting interiors and exteriors.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2017. This was the eighteenth consecutive year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The report preparation of the Comprehensive Annual Financial Report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire management staff, Finance Department staff and the staff of the independent auditors for the District, HintonBurdick CPAs & Advisors.



Thank you, the Board of Trustees, for your continued interest and support in planning and conducting the financial operations of the Henderson District Public Libraries in a responsible and progressive manner.

Cordially,

A handwritten signature in cursive script that reads "Marcie L. Smedley".

Marcie L. Smedley  
Executive Director

A handwritten signature in cursive script that reads "Debra M. Englund".

Debra M. Englund  
Chief Financial Officer

## **HENDERSON DISTRICT PUBLIC LIBRARIES**

### **Library Officials**

#### **Board of Trustees**

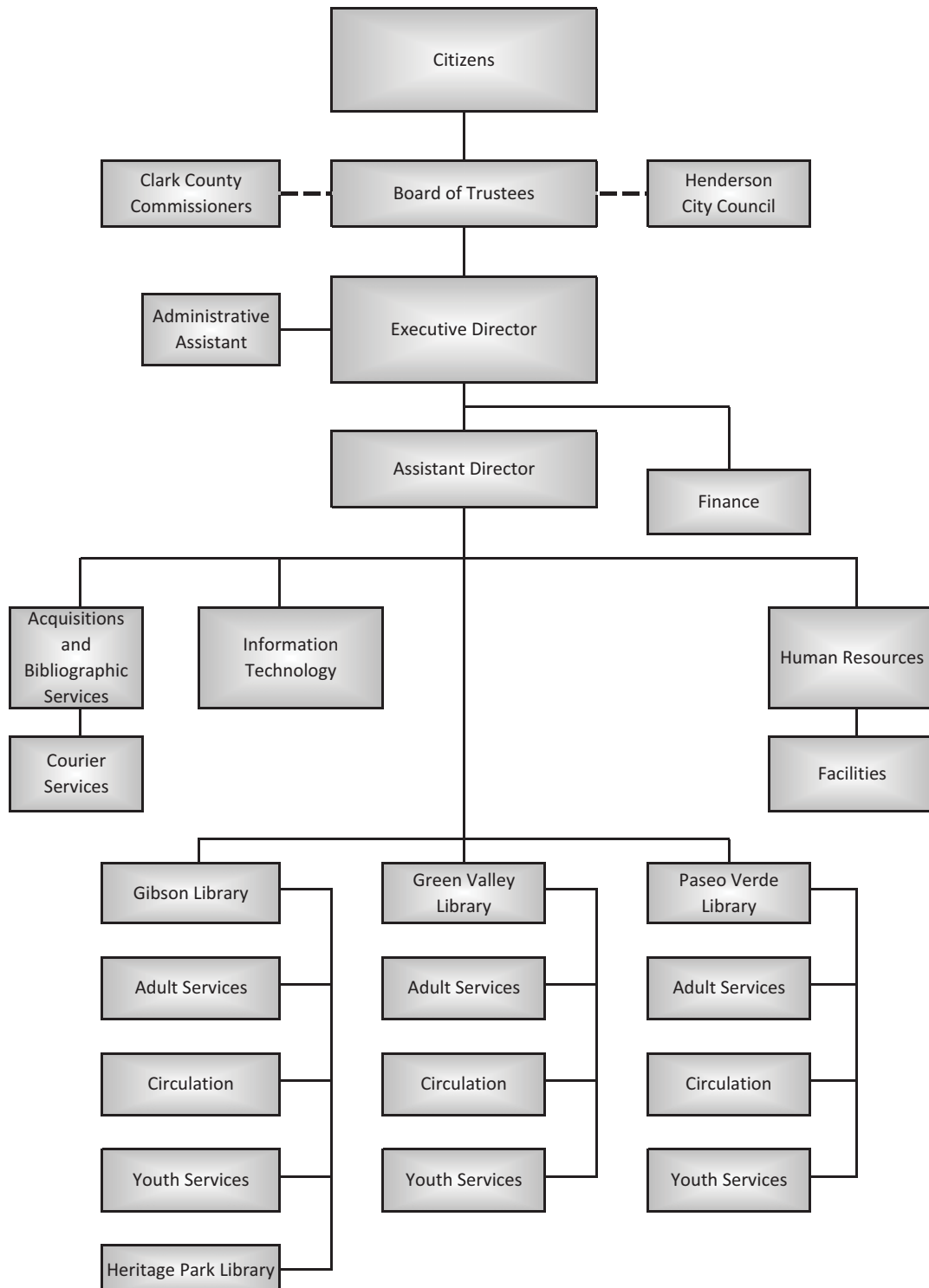
Mark McGinty	Chair
David Ortlipp	Secretary
Angela Brommel	Trustee
James Frey	Trustee
Cindy Herman	Trustee
Kip Noschese	Trustee
Bette Silverman	Trustee

#### **Administrative Staff**

Marcie L. Smedley	Executive Director
Gayle M. Hornaday	Assistant Director
Debra M. Englund	Finance/Human Resources
Sean M. Hill	Information Technology
Michelle L. Mazzanti	Acquisitions & Bibliographic Services

# HENDERSON DISTRICT PUBLIC LIBRARIES

## Organizational Chart As of June 30, 2018





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Henderson District Public Libraries  
Nevada**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morill*

Executive Director/CEO

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## FINANCIAL *section*



**Happy Birthday, Paseo Verde Library:** Henderson Mayor, Debra March, and Clifford the Big Red Dog helped celebrate Paseo Verde Library's 15th birthday. *August 24, 2017.*



## **Independent Auditor's Report**

To the Board of Trustees  
Henderson District Public Libraries  
Henderson, Nevada

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Henderson District Public Libraries, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Henderson District Public Libraries, as of June 30, 2018, and the respective changes in financial position and the respective budgetary comparison for the General Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

As described in Note 1 to the financial statements, in fiscal year 2018, the District implemented the provisions of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions and GASB Statement No. 82, Pension Issues. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the proportionate share of the net pension liability, contributions, schedules related to other post-employment benefits, and notes to required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Henderson District Public Libraries' basic financial statements. The introductory section, individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial statements and schedules, as listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2018, on our consideration of Henderson District Public Libraries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Henderson District Public Libraries' internal control over financial reporting and compliance.



HintonBurdick, PLLC  
Mesquite, Nevada  
November 7, 2018



**HENDERSON DISTRICT PUBLIC LIBRARIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Henderson District Public Libraries' (the District) discussion and analysis is designed to, (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the District's financial activities, (c) identify changes in the District's financial position (its ability to address the next and subsequent years' challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

We encourage readers to read this information in conjunction with the transmittal letter, financial statements and notes to gain a more complete picture of the information presented.

**Financial Highlights**

- The assets of the District exceeded its liabilities at June 30, 2018 by \$10,691,505 (net position).
- The District's total net position decreased by \$433,235. See the section on Government-Wide Financial Analysis for details.
- At the end of fiscal year 2018, the District's governmental funds had combined fund balances of \$5,536,660, an increase of \$1,642,924 from the previous year. Approximately 1.4%, or \$75,257, of ending fund balances is nonspendable, 4.3%, or \$241,524, is restricted for a specific purpose by external sources, 33.0%, or \$1,826,334, is assigned by management for a specific purpose, and 61.3%, or \$3,393,545, is available for spending at the District's discretion.
- As of June 30, 2018, fund balance in the General Fund, excluding nonspendable fund balance, was \$3,766,545 or 53.0% of General Fund expenditures.

**Overview of the Financial Statements**

The District's basic financial statements are comprised of government-wide financial statements, fund financial statements and notes to the financial statements.

Government-Wide Financial Statements

The Statement of Net Position combines and consolidates all of the District's current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting. The end result is net position that is segregated into three components: net investment in capital assets, restricted by grants and donors, and unrestricted net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.



**HENDERSON DISTRICT PUBLIC LIBRARIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of the government-wide financial statements present the governmental activities of the District, which are principally supported by ad valorem property taxes and intergovernmental revenues.

The government-wide financial statements can be found on pages 21-22 of this report.

**Fund Financial Statements**

A fund is a self-balancing set of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to demonstrate legal compliance and to aid in financial management. The District uses only the governmental fund category.

**Governmental funds** – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements use the modified accrual basis of accounting, which focuses on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance for the General Fund and the Capital Construction Fund, which are considered major funds, and the Contributions and Grants Fund, which is considered a nonmajor fund.

The District adopts an annual appropriated budget for all its governmental funds. Budgetary comparisons for all funds have been provided as a component of the basic financial statements to demonstrate compliance with these budgets.



**HENDERSON DISTRICT PUBLIC LIBRARIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

The fund financial statements can be found on pages 23-27 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 28-58 of this report.

Other Information

Required supplemental information can be found on pages 59-66 of this report. Individual fund schedules can be found on pages 67-68 of this report.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceed liabilities by \$10,691,505 at June 30, 2018.

**HDPL's Net Position**

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
		(Restated)
Assets:		
Current and other assets	\$ 6,093,874	\$ 4,413,770
Capital assets	15,455,328	17,084,396
Total assets	<u>21,549,202</u>	<u>21,498,166</u>
Deferred outflow of resources related to pensions	1,257,532	1,960,160
Deferred outflow of resources related to OPEB	6,355	-
	<u>1,263,887</u>	<u>1,960,160</u>
Liabilities:		
Current liabilities	489,931	449,470
Long-term liabilities	10,460,566	11,436,090
Total liabilities	<u>10,950,497</u>	<u>11,885,560</u>
Deferred inflow of resources related to pensions	681,041	448,026
Deferred inflow of resources related to OPEB	490,046	-
	<u>1,171,087</u>	<u>448,026</u>
Net position:		
Net investment in capital assets	15,455,328	17,084,396
Restricted by grants and donors	241,524	224,784
Unrestricted	(5,005,347)	(6,184,440)
Total net position	<u>\$ 10,691,505</u>	<u>\$ 11,124,740</u>

**HENDERSON DISTRICT PUBLIC LIBRARIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

The largest portion of the District's net position reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. Capital assets consist of land, buildings, equipment, furniture, land improvements, library materials, and vehicles. These assets are used to provide services to the patrons of the District and are not available for future spending. The net investment in capital assets amount exceeds total net position due to a negative unrestricted net position amount unrelated to capital assets.

An additional portion of the District's net position reflects resources that are subject to external restrictions on how they may be used. The remaining deficit balance of \$5,005,347 is unrestricted net position.

There was a decrease of \$1,629,068 in net investments in capital assets. This decrease was primarily due to sale of a vacant building and depreciation of existing assets. See discussion on Capital Assets below for further explanations.

Governmental Activities

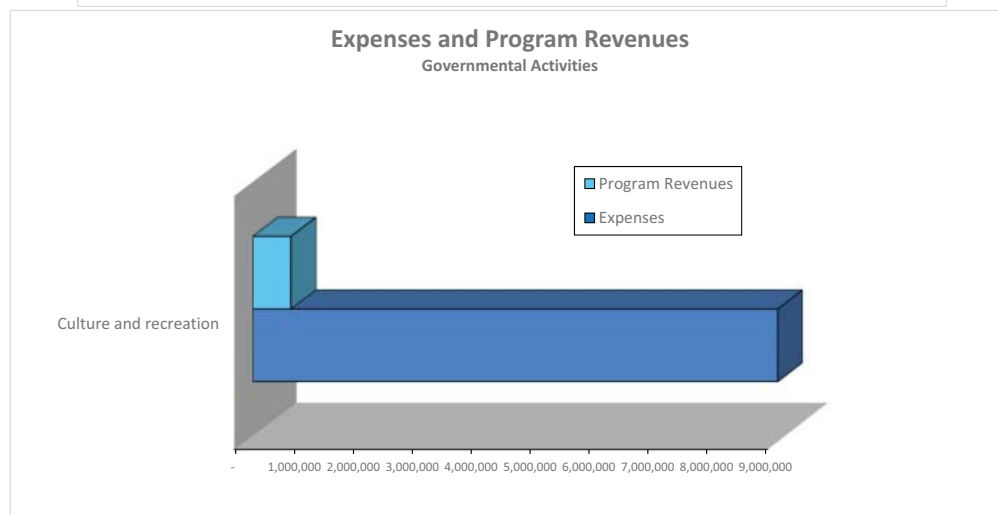
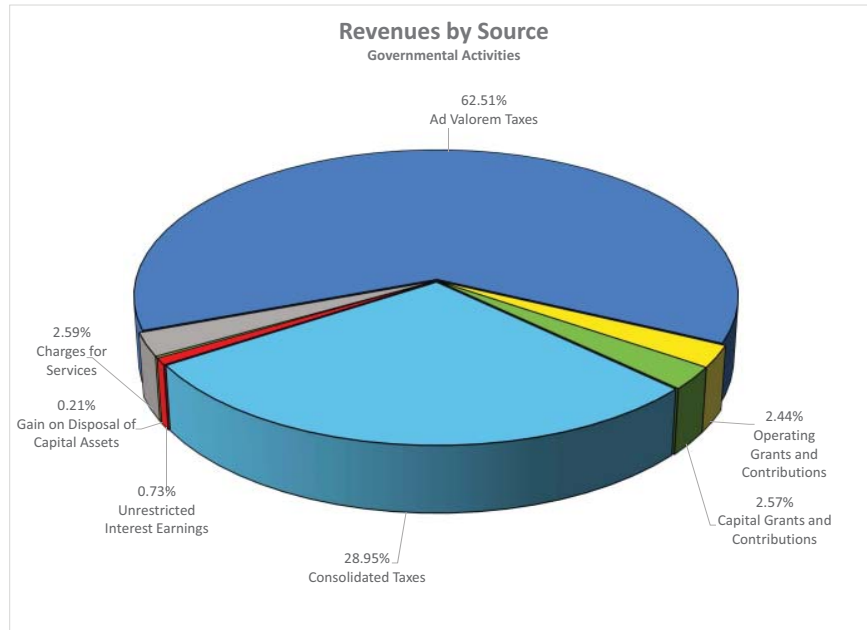
Governmental activities decreased the District's net position by \$433,235, or 3.9%, during the current fiscal year. Key elements of this decrease are as follows:

**HDPL's Changes in Net Position**

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
		(Restated)
Revenues:		
Program Revenues		
Charges for services	\$ 200,238	\$ 202,895
Operating grants and contributions	205,940	321,778
Capital grants and contributions	216,591	216,309
General Revenues		
Ad valorem taxes	5,265,797	4,991,327
Consolidated taxes	2,438,874	2,520,623
Unrestricted investment earnings	61,676	19,712
Gain on disposal of capital assets	17,946	-
Total revenues	<u>8,407,062</u>	<u>8,272,644</u>
Expenses:		
Culture and recreation	<u>8,840,297</u>	<u>9,562,031</u>
Total expenses	<u>8,840,297</u>	<u>9,562,031</u>
Increase/(decrease) in net position	<u>(433,235)</u>	<u>(1,289,387)</u>
Net position, beginning of year	<u>11,124,740</u>	<u>12,414,127</u>
Net position, end of year	<u><u>\$ 10,691,505</u></u>	<u><u>\$ 11,124,740</u></u>

# **HENDERSON DISTRICT PUBLIC LIBRARIES MANAGEMENT’S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

- Operating grants and contributions decreased by \$115,838, or 36.0%. This change is due to normal variations in the types of grants received by the District.
- Ad valorem property taxes increased by \$274,470 or 5.5%, while consolidated taxes decreased by \$81,749, or 3.2%. The increase in ad valorem property taxes is due to the gradual recovery of the local housing market. The decrease in consolidated taxes is due to receiving an additional payment in the previous fiscal year due to a change in the distribution of tax allocations from the State.
- Culture and recreation expenses decreased by \$721,734 or 7.6%, over the last fiscal year. This change can be primarily attributed to the implementation of GASB No. 75 and GASB No. 82 which required a change in reporting OBEP and Pension expenses.



**HENDERSON DISTRICT PUBLIC LIBRARIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Fund Financial Analysis**

As noted earlier, the District uses fund accounting to better ensure and demonstrate compliance with finance-related legal requirements.

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at fiscal year end.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$5,536,660, an increase of \$1,642,924 from fiscal year 2017. Of the 2018 ending fund balances, \$3,393,545 or 61.3%, constitutes unassigned fund balance and is available for spending at the District's discretion; \$1,826,334, or 33.0%, is assigned by management for specific purposes; \$241,524, or 4.3%, is restricted by external sources; and \$75,257, or 1.4%, is nonspendable.

General Fund

The General Fund is the chief operating fund of the District. At the end of fiscal year 2018, the General Fund had an ending fund balance of \$3,841,802, of which \$3,393,545 was unassigned, \$373,000 is assigned for use in next year's operations, and \$75,257 is nonspendable.

The General Fund's fund balance increased by \$347,919 during the current fiscal year. This increase in fund balance is primarily due to an increase in ad valorem tax of \$283,841.

Capital Construction Fund

The Capital Construction Fund had a fund balance of \$1,376,698, an increase of \$1,279,841 from the previous fiscal year. The primary reason for this increase was the sale of the vacant Malcolm Library building in February 2018. The proceeds from this sale, \$931,516, were placed in the Capital Construction Fund for future capital improvement plans.

Non-major Funds

The remaining non-major fund, the Contributions and Grants Fund, has a fund balance of \$318,160. This is an increase of \$15,164 from the prior year.

**General Fund Budgetary Highlights**

The original fiscal year 2018 budget was approved May 18, 2017. State regulations require budget controls to be exercised at the function level. Although function-level control is what is required, the District management exercises control at the object level.

# **HENDERSON DISTRICT PUBLIC LIBRARIES MANAGEMENT’S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

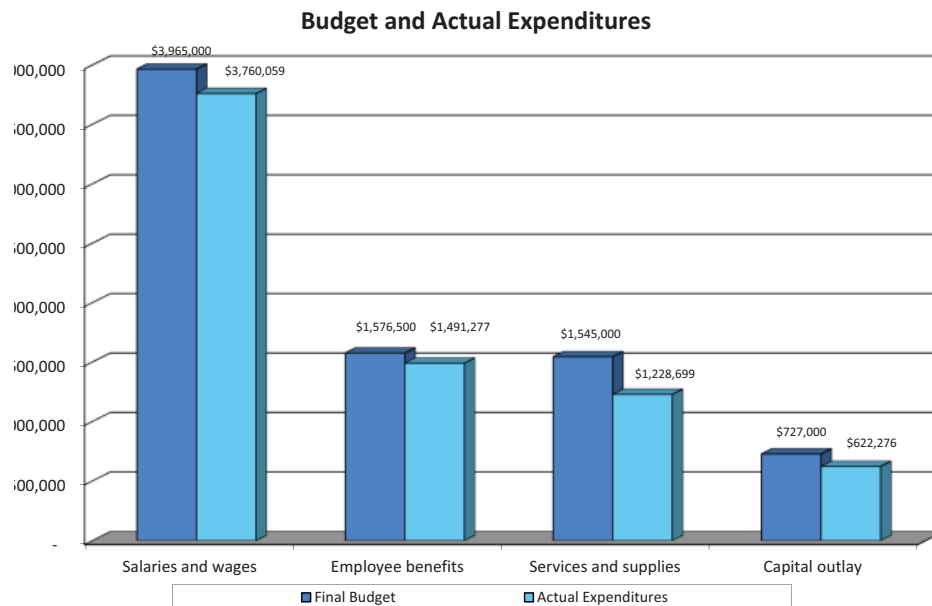
Pursuant to NRS 354.598005(5), the District may transfer appropriations between functions, if such a transfer does not increase the total appropriations for any fiscal year and is not in conflict with other statutory provisions. The District did not do such an amendment to the General Fund in fiscal year 2018; therefore, the original budget is also the final budget for the General Fund.

The final budget projected ad valorem property taxes and consolidated tax, which account for 97.5% of the General Fund’s total revenue, to be \$5,186,513 and \$2,384,215 respectively. Ad valorem property tax revenue came in at \$5,269,078, a positive variance of \$82,565, or 1.6%. Consolidated tax revenues came in at \$2,438,874, a positive variance of \$54,659 or 2.3%.

Actual expenditures were 90.9% of appropriations, or \$711,189 lower than the final budget. The main areas of savings are summarized below:

- Salaries and wages were \$204,941 below the final budget. This was due to savings associated with vacant positions.
- Employee benefits were \$85,223 below the final budget. This was also due to vacancy savings.
- Services and supplies were \$316,301 below the final budget. This was due to conservative spending practices.
- Capital outlay was \$104,724 below the final budget. This was due to normal variations in library material purchasing.

The following table illustrates the total differences between the final budget and actual expenditures.





**HENDERSON DISTRICT PUBLIC LIBRARIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Additional information on the District's general fund budget can be found on pages 27 and 36-37 of this report.

**Capital Assets**

At June 30, 2018, the District had \$15,455,328 invested in capital assets (net of accumulated depreciation). This investment in capital assets includes buildings, equipment, land, land improvements, library materials, and vehicles. This amount represents a net decrease of \$1,629,068, or 9.5%, from last year. The following table reflects capital assets of the District at June 30, 2018 and 2017.

**HDPL's Capital Assets  
(net of depreciation)**

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Buildings	\$ 11,126,511	\$ 12,194,546
Equipment	519,564	527,602
Land	1,406,051	1,867,359
Land improvements	329,951	359,947
Library materials	2,071,672	2,129,574
Vehicles	1,579	5,368
Total capital assets, net of depreciation	<u>\$ 15,455,328</u>	<u>\$ 17,084,396</u>

Major capital asset events during the current fiscal year include the following:

- The sale of the vacant Malcolm Library building and land it sits on, resulting in a decrease of \$802,041 and \$461,308, respectively .
- The District capitalized library materials at a cost of \$924,412, including donated materials totaling \$160,533.
- Depreciation expense for the fiscal year was \$1,694,463.

Additional information on the District's capital assets can be found in Note 5 of the financial statements.

**HENDERSON DISTRICT PUBLIC LIBRARIES  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Long-term Debt**

Per NRS 379.0225, the debt limitation for the District is equal to 10 percent of the total assessed value of all taxable property. The debt limitation currently applicable to June 30, 2018 is \$1,291,596,811. At the end of the current fiscal year, the District does not have any general obligation bonded debt subject to this legal debt margin.

**Economic Factors and Next Year's Budgets**

- The unemployment rate for Clark County has decreased and is currently 4.7%, which is down 0.6% from last year. The United States national average unemployment rate is 4.2% and the State's average unemployment rate is 4.5%.
- Businesses within Clark County reported taxable sales of \$3.838 billion, a 6.2% increase from the previous year.
- Property within the District's assessment district raised in value to \$12,915,968,107 an increase of \$936,774,125 or 7.82%.

These factors were considered in preparing the District's budget for fiscal year 2019.

The fund balance in the General Fund increased by 10.0% to \$3,841,802 from the prior year. This amount is \$966,302 higher than the final budgeted ending fund balance for the 2018 fiscal year.

The District assigned \$373,000 of this fund balance to eliminate a projected budgetary deficit in the fiscal year 2019 budget.

**Requests for Information**

This financial report is designed to provide its users with a general overview of the District's finances and to show the District's accountability for the money it receives. Any questions, comments or requests for additional financial information should be addressed to the District's Finance Department at 280 South Green Valley Parkway, Henderson, Nevada 89012.

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# BASIC FINANCIAL statements



**International Festival:** A celebration of cultures and countries, featuring dancing, live music, performances and food demos at all locations. *Spring 2018.*



HENDERSON DISTRICT PUBLIC LIBRARIES

STATEMENT OF NET POSITION  
JUNE 30, 2018

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and investments	\$ 5,489,624
Accounts receivable	6,327
Interest receivable	8,329
Due from other governments	514,337
Prepays	75,257
Capital assets (net of accumulated depreciation, where applicable):	
Land	1,406,051
Property and equipment	11,977,605
Library books and materials	2,071,672
Total Assets	<u>21,549,202</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources related to pensions	1,257,532
Deferred outflows of resources related to OBEP	6,355
Total deferred outflows of resources	<u>1,263,887</u>
<b>LIABILITIES</b>	
Accounts payable	251,480
Accrued payroll	185,844
Unearned revenue	52,607
Non-current liabilities:	
Portion due or payable within one year:	
Compensated absences	363,392
Portion due or payable after one year:	
Compensated absences	297,520
Obligation for postemployment benefits other than pensions	3,509,926
Net pension liability	6,289,728
Total Liabilities	<u>10,950,497</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources related to pensions	681,041
Deferred inflows of resources related to OBEP	490,046
Total deferred outflows of resources	<u>1,171,087</u>
<b>NET POSITION</b>	
Net investment in capital assets	15,455,328
Restricted by grants and donors	241,524
Unrestricted (deficit)	(5,005,347)
Total Net Position	<u>\$ 10,691,505</u>

See notes to the financial statements.



HENDERSON DISTRICT PUBLIC LIBRARIES

STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS					
Governmental activities:					
Culture and recreation	\$ 8,840,297	\$ 200,238	\$ 205,940	\$ 216,591	\$ (8,217,528)
General revenues:					
Ad valorem taxes					5,265,797
Consolidated taxes					2,438,874
Unrestricted investment earnings					61,676
Gain on disposal of capital assets					17,946
Total general revenues					7,784,293
Change in net position					(433,235)
Net position, beginning of year (Restated)					11,124,740
Net position, end of year					\$ 10,691,505

See notes to the financial statements.

HENDERSON DISTRICT PUBLIC LIBRARIES

GOVERNMENTAL FUNDS

BALANCE SHEET  
JUNE 30, 2018

	General Fund	Capital Construction Funds	Total Nonmajor Governmental Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 3,749,620	\$ 1,409,973	\$ 330,031	\$ 5,489,624
Accounts receivable	355	-	5,972	6,327
Interest receivable	8,329	-	-	8,329
Due from other governments	514,337	-	-	514,337
Prepays	75,257	-	-	75,257
Total assets	<u>\$ 4,347,898</u>	<u>\$ 1,409,973</u>	<u>\$ 336,003</u>	<u>\$ 6,093,874</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 204,862	\$ 33,275	\$ 13,343	\$ 251,480
Unearned revenue	48,107	-	4,500	52,607
Accrued payroll	185,844	-	-	185,844
Total liabilities	<u>438,813</u>	<u>33,275</u>	<u>17,843</u>	<u>489,931</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue-ad valorem property taxes	<u>67,283</u>	<u>-</u>	<u>-</u>	<u>67,283</u>
<b>FUND BALANCES</b>				
<b>Nonspendable:</b>				
Prepaid items	75,257	-	-	75,257
<b>Restricted for:</b>				
Green Valley Library	-	-	2,624	2,624
Materials	-	-	157,384	157,384
Outreach	-	-	14,816	14,816
Paseo Verde Library	-	-	6,599	6,599
Programming	-	-	60,101	60,101
<b>Assigned for:</b>				
Capital projects	-	1,376,698	-	1,376,698
Fund balance for next year operations	373,000	-	-	373,000
Programming and events	-	-	76,636	76,636
<b>Unassigned</b>	<u>3,393,545</u>	<u>-</u>	<u>-</u>	<u>3,393,545</u>
Total fund balances	<u>3,841,802</u>	<u>1,376,698</u>	<u>318,160</u>	<u>5,536,660</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,347,898</u>	<u>\$ 1,409,973</u>	<u>\$ 336,003</u>	<u>\$ 6,093,874</u>

See notes to the financial statements.

**HENDERSON DISTRICT PUBLIC LIBRARIES**

**RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS  
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION  
JUNE 30, 2018**

Amounts reported for governmental activities in the Statement of Net Position (page 21) are different because:

Total fund balances - governmental funds (page 23)	\$ 5,536,660
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
Governmental capital assets	\$ 31,246,124
Less: Accumulated depreciation	<u>(15,790,796)</u>
	15,455,328
Deferred outflows of resources benefit future periods; and therefore, are not reported in governmental funds.	
Resources related to pensions	1,257,532
Resources related to OPEB	<u>6,355</u>
	1,263,887
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Compensated absences	(660,912)
Net pension liability	(6,289,728)
Obligations for postemployment benefits other than pensions	<u>(3,509,926)</u>
	(10,460,566)
Deferred inflows of resources represent amounts that were not available to fund current expenditures; and therefore, are not reported.	
Resources related to pensions	(681,041)
Resources related to OPEB	(490,046)
Unavailable revenue, property taxes	<u>67,283</u>
Net position of governmental activities	<u><u>\$ 10,691,505</u></u>

See notes to the financial statements.

HENDERSON DISTRICT PUBLIC LIBRARIES

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>General Fund</u>	<u>Capital Construction Fund</u>	<u>Total Nonmajor Governmental Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Taxes:				
Ad valorem	\$ 5,269,078	\$ -	\$ -	\$ 5,269,078
Intergovernmental:				
Consolidated tax	2,438,874	-	-	2,438,874
Grants, federal and state	-	-	37,086	37,086
Miscellaneous:				
Fines and forfeits	129,848	-	-	129,848
Contributions from private sources	-	-	224,912	224,912
Investment income	43,503	13,389	4,784	61,676
Other	68,927	-	1,463	70,390
Total revenues	<u>7,950,230</u>	<u>13,389</u>	<u>268,245</u>	<u>8,231,864</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation:				
Salaries and wages	3,760,059	-	-	3,760,059
Employee benefits	1,491,277	-	-	1,491,277
Services and supplies	1,228,699	147,070	74,919	1,450,688
Capital outlay	622,276	17,994	178,162	818,432
Total expenditures	<u>7,102,311</u>	<u>165,064</u>	<u>253,081</u>	<u>7,520,456</u>
Excess (deficiency) of revenue over (under) expenditures	<u>847,919</u>	<u>(151,675)</u>	<u>15,164</u>	<u>711,408</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	500,000	-	500,000
Transfers out	(500,000)	-	-	(500,000)
Proceeds from sales of capital assets	-	931,516	-	931,516
Total other financing sources (uses)	<u>(500,000)</u>	<u>1,431,516</u>	<u>-</u>	<u>931,516</u>
Net change in fund balances	347,919	1,279,841	15,164	1,642,924
Fund balances, beginning of year	3,493,883	96,857	302,996	3,893,736
Fund balances, end of year	<u>\$ 3,841,802</u>	<u>\$ 1,376,698</u>	<u>\$ 318,160</u>	<u>\$ 5,536,660</u>

See notes to the financial statements.

# HENDERSON DISTRICT PUBLIC LIBRARIES

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Amounts reported for governmental activities in the Statement of Activities (page 22)  
are different because:

Net Change in Fund Balances - total governmental funds (page 25)	\$ 1,642,924
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Governmental funds report capital outlays as expenditures and the proceeds from the sale of assets as other financing sources. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and only the gain or loss is recorded when assets are sold.

Expenditures for capital assets	\$ 818,432	
Disposition of assets	(913,570)	
Less: Current year depreciation	<u>(1,694,463)</u>	
		(1,789,601)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.

Change in unavailable property tax	(3,281)	
Donated capital assets	<u>160,533</u>	
		157,252

Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the governmental funds.

Change in long-term compensated absences	(51,031)	
Change in net pension liability and related deferred outflows and inflows of resources	(59,414)	
Change in obligations for postemployment benefits other than pensions and related deferred outflows and inflows of resources	<u>(333,365)</u>	
		(443,810)

Change in net position of governmental activities	<u>\$ (433,235)</u>
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See notes to the financial statements.

**HENDERSON DISTRICT PUBLIC LIBRARIES**

**GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<b><u>Original and Final Budget</u></b>	<b><u>Actual Amounts</u></b>	<b><u>Variance with Original and Final Budget</u></b>
<b>REVENUES</b>			
Taxes:			
Ad valorem	\$ 5,186,513	\$ 5,269,078	\$ 82,565
Intergovernmental:			
Consolidated tax	2,384,215	2,438,874	54,659
Miscellaneous:			
Fines and forfeits	130,000	129,848	(152)
Investment income	15,000	43,503	28,503
Other	173,272	68,927	(104,345)
Total revenues	<u>7,889,000</u>	<u>7,950,230</u>	<u>61,230</u>
<b>EXPENDITURES</b>			
Current:			
Culture and recreation:			
Salaries and wages	3,965,000	3,760,059	204,941
Employee benefits	1,576,500	1,491,277	85,223
Services and supplies	1,545,000	1,228,699	316,301
Capital outlay	727,000	622,276	104,724
Total expenditures	<u>7,813,500</u>	<u>7,102,311</u>	<u>711,189</u>
Excess of revenues over expenditures	<u>75,500</u>	<u>847,919</u>	<u>772,419</u>
<b>OTHER FINANCING USES</b>			
Transfers out	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
Total other financing uses	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
Net change in fund balance*	(424,500)	347,919	772,419
Fund balance, beginning of year	<u>3,300,000</u>	<u>3,493,883</u>	<u>193,883</u>
Fund balance, end of year	<u>\$ 2,875,500</u>	<u>\$ 3,841,802</u>	<u>\$ 966,302</u>

\* The net change in fund balance was included in the budget as an appropriation ( i.e., spenddown)

See notes to the financial statements.

**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 1 – Summary of Significant Accounting Policies**

Reporting Entity

The Henderson District Public Libraries (the District) was established and operates as an independent governmental unit under authority of Nevada Revised Statutes (NRS) Chapter 379. It is governed by a seven-member Board of Trustees. Five of the Board members are appointed to four-year terms by the Board of County Commissioners of Clark County, Nevada. The other two Board members are appointed to three-year terms by the City of Henderson Council. The Board of Trustees is responsible for establishing policy and overall operations of the District maintained within the District's boundaries. The District currently operates four libraries – the Heritage Park Senior Facility Library, the James I. Gibson Library, the Green Valley Library, and the Paseo Verde Library.

Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by Statement No. 39, *Determining Whether Certain Organizations are Component Units* and Statement No. 61, *The Financial Reporting Entity: Omnibus*, defines the reporting entity as the primary government and those component units for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the organization's governing board, and either the ability of the primary government to impose its will on the organization or the possibility that the organization will provide a financial benefit to or impose a financial burden on the primary government. In addition to financial accountability, component units can be other organizations in which the economic resources received or held by that organization are entirely or almost entirely for the direct benefit of the primary government, the primary government is entitled to or has the ability to otherwise access a majority of the economic resources received or held by that organization and the resources to which the primary government is entitled or has the ability to otherwise access are significant to the primary government. The District is not considered a component unit of any other governmental unit under this criteria.

The Friends of the Henderson Libraries, formed in 2000, and the Henderson Libraries Foundation, formed in 2010, are Nevada Non-Profit Corporations. Both entities were formed for the exclusive purpose of providing aid, support, and assistance in the promotion, growth and improvement of the District. Although the District expects to receive a future financial benefit from both entities, the District is not required to provide financial support to them, does not appoint a voting majority of the members of either Board or have the ability to otherwise control or impose its will on them, does not have immediate access to their resources, and their resources are not significant to the District. Therefore, neither entity is considered to be and is not reported as a component unit of the District. Furthermore, no other entities were determined to be component units of the District.

**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Government-Wide and Fund Financial Statements

The government-wide financial statements report information on all of the activities of the District. As a general rule, eliminations have been made to minimize the double-counting of internal activities. Exceptions to this general rule are charges for services between the governmental activities and business-type activities, of which the District does not perform. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a function. Program revenues include 1) fees, fines, and charges paid by recipients of goods or services offered by a given program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The fund financial statements provide information about the District's funds. Funds are classified into three categories: governmental, proprietary and fiduciary. During fiscal year 2018, the District used only the governmental fund category. The emphasis of fund financial statements is on the major governmental funds, which are each displayed in a separate column. The remaining governmental funds are aggregated and reported as nonmajor funds.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Basis of accounting refers to when revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements. The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows. Ad valorem property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered *measurable* when the amount of the transaction can be determined and *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when the related liabilities are incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and other postemployment benefits, are recorded only when payment is due (or when payment is made).



**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Ad valorem property taxes, consolidated tax revenue (sales taxes, cigarette taxes, motor vehicle privilege taxes and liquor taxes), interest associated with the current fiscal period, and federal, state and local grants are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Charges for services, fines and contributions are not susceptible to accrual because generally they are not measurable until received in cash.

Ad valorem property tax revenue is recognized in the fiscal year in which the taxes become due to the extent they are collected during the fiscal year or soon enough thereafter that they can be used to finance current period expenditures (no later than 60 days after year-end).

The District reports unearned revenue in the fund financial statements. Unearned revenues arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenues are recognized.

The District classifies and reports the following as major governmental funds:

The **General Fund** is the District's primary operating fund. It accounts for all financial resources and costs associated with library activities, except those that are required to be accounted for in other funds.

The **Capital Construction Fund** is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the improvement, acquisition or construction of capital facilities and other capital assets.

Additionally, the District reports the following nonmajor governmental fund type:

The **Contributions and Grants Special Revenue Fund** is used to account for and report donations and grants that are restricted, committed, or assigned to expenditure for specific purposes generally dictated by the donor or the grant award.

The District has no nongovernmental fund types.

**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

Cash, Cash Equivalents and Investments

The District maintains two checking accounts and invests resources with the State of Nevada Local Government Investment Pool (LGIP). The District pools cash resources of its various funds in order to facilitate the management of cash and maximize investment earning potential. Cash applicable to a particular fund is readily identifiable.

Cash and cash equivalents include currency on hand, demand deposits with banks and other highly liquid investments, with original maturities of three months or less from the date of acquisition, which are readily convertible to cash.

As more fully described in Note 3, state statutes authorize the District to invest in obligations of the U.S. Treasury, certain farm loan bonds, certain securities issued by Nevada local governments, repurchase agreements, banker's acceptances, commercial paper, negotiable certificates of deposit, Local Government Investment Pool, and money market mutual funds. All investments are stated at fair value.

Ad Valorem Property Taxes

Ad valorem taxes on real property are levied based on the assessed valuations as of January 1<sup>st</sup> of each year. A lien is placed on the property on July 1<sup>st</sup> of each year, and the taxes are due on the third Monday in August. The taxes can be paid in four installments on or before the third Monday in August and the first Mondays in October, January and March. In the event of nonpayment, the County Treasurer is authorized to hold the property for two years, subject to redemption upon payment of taxes, penalties and costs, together with interest from the date the taxes were due until paid. If delinquent taxes are not paid within the two-year redemption period, the County Treasurer obtains a deed to the property free of all encumbrances. Upon receipt of deed, the County Treasurer may sell the property to satisfy the tax lien.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures when consumed rather than when purchased.

**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Capital Assets

Capital assets are defined as those assets with an initial cost of \$2,500 or more and an estimated useful life of more than one year. Library books and materials purchased throughout the fiscal year are combined together as one item and considered a capital asset. All purchased or constructed capital assets are reported at cost or estimated historical cost. Donated assets are valued at their estimated acquisition value on the date received. Book deletions are computed using the average cost per book, as determined from the purchases over a period of years. Depreciation is calculated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Years</u>
Buildings	30
Computer equipment	3
Equipment	5-20
Furniture	7
Land improvements	20
Library materials	5
Vehicles	5

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation, sick and compensatory time benefits, subject to cap limits. All vacation, sick and compensatory time leave is accrued when incurred in the government-wide financial statements. In governmental funds, the current portion of compensated absences, vacation leave, sick leave and compensatory time actually paid or accrued as a result of employees who have terminated, is recorded as a payroll expenditure.

Long-Term Debt

In the government-wide financial statements, long-term debt is reported as a liability in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, if material. For current and advance refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt should be reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter. Debt issuance costs are recognized as an expense in the period incurred.

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For governmental fund types, bond discounts and issuance costs are recognized during the current period. The face amount of bonds issued is reported as other financing sources, as are bond premiums. Bond discounts and payments to advance refunding agents are recorded as other financing uses. Issuance costs, even if withheld from the proceeds received and payments to current refunding agents, are reported as debt service expenditures.

The District has no such long-term debt as of June 30, 2018.

Other Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the District's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expenses, information about the fiduciary net position of the District's OPEB plans (the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined based on annual actuarial reports. Benefit payments are recognized when due and payable in accordance with the benefit terms.

Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

For purposes of measuring the District's net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expenses, information about the pension plan's fiduciary net position of the Public Employees' Retirement System of Nevada (PERS) and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in the category; deferred pension related items and deferred other post-employment benefits related items. These amounts are deferred and recognized as an outflow of resources in future periods.

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In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two such items that qualify for reporting in this category; deferred pension related items and deferred other post-employment benefit related items. These amounts are deferred and recognized as an inflow of resources in future periods. The District also reflects deferred inflows of resources which are unavailable revenue - property taxes, arising only under the modified accrual basis of accounting, which is reported on the governmental funds balance sheet.

Equity Classifications

In the government-wide financial statements, net position is displayed in three components:

Net investment in capital assets - Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or 2) by law through constitutional provisions or enabling legislation.

Unrestricted net position - Consists of all other net position that does not meet the definition of restricted or net investment in capital assets.

Net Position Flow Assumption

Sometimes, the District will fund outlays for a particular purpose from both restricted (e.g., restricted grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied, but reserves the right to selectively deplete unrestricted – net position first to defer the use of restricted – net position.

**HENDERSON DISTRICT PUBLIC LIBRARIES  
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Fund Balance Flow Assumption

Sometimes, the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. The District would typically use restricted fund balances first, followed by committed fund balances, and then assigned fund balances, as appropriate opportunities arise, but reserves the right to selectively deplete unassigned fund balances first to defer the use of these other classified fund balances.

Fund Balance Policies

Governmental fund balances are classified as follows:

Nonspendable Fund Balance - Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. This classification includes prepaid items.

Restricted Fund Balance - Includes constraints placed on the use of these resources that are either externally imposed by creditors (such as debt covenants), grantors, contributors or other governments; or are imposed by laws (through constitutional provisions or enabling legislation).

Committed Fund Balance - Includes amounts that can be used only for a specific purpose because of a formal action (resolution) by the Board of Trustees, which is the District's highest level of decision-making authority. Those constraints remain binding unless removed or changed in the same manner employed to previously commit those resources.

Assigned Fund Balance – Includes amounts that are constrained by the District's intent to be used for specific purposes, but do not meet the criteria to be classified as restricted or committed. The Board of Trustees, has by formal board action, adopted the District's fund balance policy delegating authority to assign fund balances to the District's Executive Director. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year's appropriated budget. Constraints imposed on the use of assigned amounts can be removed without formal action by the Board of Trustees.

**HENDERSON DISTRICT PUBLIC LIBRARIES  
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Unassigned Fund Balance – This is the residual classification of fund balance in the General Fund, which has not been reported in any other classification. The General Fund is the only fund that can report a positive unassigned fund balance. Other governmental funds might report a negative unassigned fund balance as a result of overspending for specific purposes for which amounts have been restricted, committed, or assigned.

**NOTE 2 – Stewardship, Compliance and Accountability**

Budgetary Information

The District adheres to the Local Government Budget and Finance Act, incorporated within the statutes of the State of Nevada, which includes the following major procedures to establish the budgetary data that is reflected in these financial statements:

1. On or before April 15, the Library Board of Trustees files a tentative budget with the Nevada Department of Taxation.
2. Public hearings on the tentative budget are held during the third week in May.
3. Prior to June 1, at a public hearing, the Board indicates changes, if any, to be made to the tentative budget and adopts a final budget by the favorable vote of a majority of the members of the Board.
4. Formal budgetary integration in the financial records is employed to enhance management control during the year.
5. Budgets for all funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP) and appropriations lapse at year end.
6. Statutory regulations require budget controls to be exercised at the function level. Management is authorized to transfer budget amounts between functions or funds if amounts do not exceed total appropriations and the Board of Trustees is notified at the next regular meeting.
7. Budget augmentations in excess of original budgetary amounts may not be made without prior approval of the Board of Trustees following a public hearing. Such augmentations become effective upon receipt of resolution by the Nevada Department of Taxation. Various supplemental appropriations were approved during the year to reflect necessary changes in spending and the corresponding additional resources available.

**HENDERSON DISTRICT PUBLIC LIBRARIES  
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8. In accordance with Statute, actual expenditures may not exceed appropriations in the various functions of the General Fund, Special Revenue Funds, and the Capital Projects Funds.

Compliance with Nevada Revised Statutes

Henderson District Public Libraries conformed to all significant statutory constraints on its financial administration during this year.

New Accounting Pronouncements

In November 2016, the GASB issued Statement No. 73, *Certain Asset Retirement Obligations*, effective for periods beginning after June 15, 2018. This objective of this Statement is to address accounting and financial reporting for certain asset retirement obligations that result from a legally enforceable liability associated with the retirement of a tangible asset. Management has not yet completed its assessment of this statement.

In May 2017, the GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*, effective for periods beginning after June 15, 2017. The objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources (resources other than the proceeds of refunding debt) are placed in an irrevocable trust for the sole purpose of extinguishing debt. Management has completed its assessment of this statement and determined that no existing transactions are subject to alternative disclosure or treatment under the statement. Management will monitor future transactions with the statement in mind to ensure proper treatment and disclosure, should it be necessary.

In June 2017, the GASB issued Statement No. 87, *Leases*, effective for periods beginning after December 15, 2019. The objective of this Statement is to better meet the information needs of financial statement users by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Management has not yet completed its assessment of this statement.



**HENDERSON DISTRICT PUBLIC LIBRARIES  
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**NOTE 3 – Cash, Cash Equivalents and Investments**

The following summarizes the District’s cash and investment balances as of June 30, 2018:

Cash on hand	\$	2,182
Cash in financial institutes		532,509
Investments		4,954,933
Total cash, cash equivalents, and investments	\$	<u>5,489,624</u>

Deposits

State statutes govern the District’s deposit options. The District monies must be deposited in insured banks, credit unions, or savings and loan associations. The District is authorized to use demand accounts, time accounts and certificates of deposit.

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2018, the recorded amount of the District’s deposits was \$532,509 and the bank balances were \$640,297. Of the bank statement balances, \$250,000 was covered by federal depository insurance and the remainder was subject to collateralization by the office of the State Treasurer/Nevada Collateral Pool.

Investments

The District invests through pooling of monies. The pooling of monies is theoretically invested on the whole and not as a combination of monies from each fund belonging to the pool. In this manner, the District’s Chief Financial Officer is able to invest the monies at a higher interest rate for a longer period of time. Interest revenue is apportioned annually to each fund in the pool based on the average cash balance of the fund for each month. The District investment pool is not registered with the Securities and Exchange Commission as an investment company. Investments made by the Chief Financial Officer are regulated by Nevada Revised Statutes (NRS 355.170).

NRS 355.170 sets forth acceptable investments for Nevada local governments. The District has not adopted a formal investment policy that would limit its investment choices or limit its exposure to certain risks beyond that set forth in the statutes.

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The following table identifies the investment types and minimum credit ratings authorized for the District by NRS 355.170:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer	Minimum Ratings	
				S & P	Moody's
Banker's acceptances	180	20%	None	N/A	N/A
Commercial paper	270 days	20%	None	A-1	P-1
Money market mutual funds	None	None	None	AAA	Aaa
Negotiable certificates of deposit	None	None	None	N/A	N/A
Collateralized nonnegotiable certificates of deposit	None	None	None	N/A	N/A
Negotiable notes/medium-term obligations of local governments within the State of Nevada	None	None	None	N/A	N/A
Obligations of state and local governments outside of the State of Nevada	None	None	None	N/A	N/A
Repurchase agreements	90 days	None	10%	N/A	N/A
U.S. Treasury obligations	10 years	None	None	N/A	N/A
U.S. Agency securities:				N/A	N/A
Federal National Mortgage Association	10 years	None	None	N/A	N/A
Federal Agricultural Mortgage Corporation	10 years	None	None	N/A	N/A
Federal Farm Credit Bank	10 years	None	None	N/A	N/A
Federal Home Loan Bank	10 years	None	None	N/A	N/A
Federal Home Loan Mortgage Corporation	10 years	None	None	N/A	N/A
Government National Mortgage Association	10 years	None	None	N/A	N/A
Local government investment pool	None	None	None	N/A	N/A
Notes, bonds and other obligations issued by U.S. Corporations	5 years	20%	25%	A	N/A
Collateralized mortgage obligations	None	None	None	AAA	N/A
Asset-backed securities	None	None	None	AAA	N/A

The District is a voluntary participant in the State of Nevada Local Government Investment Pool (LGIP), which has regulatory oversight from the Board of Finance of the State of Nevada and is governed by the provisions of State Law (NRS 355.170). The LGIP is not registered with the SEC as an investment company. The fair value of the District's position in the pool is the same as the value of the pool shares. Deposits in the LGIP are not insured or otherwise guaranteed by the State of Nevada, and participants share proportionally in any realized gains or losses on investments.

As of June 30, 2018, the District had the following investments and maturities:

	<u>Maturities</u>	<u>Fair Value</u>
<b>Pooled Investments:</b>		
State of Nevada Local Government Investment Pool (LGIP)	142 days*	<u>\$ 4,954,933</u>

\*Represents average weighted maturity

**HENDERSON DISTRICT PUBLIC LIBRARIES  
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The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The fair value measurement level within the hierarchy is based on the lowest level of any input that is deemed significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

At June 30, 2018, the District's Level 1 investments were valued based on quoted market prices provided by recognized broker dealers and its Level 2 investments were valued, by recognized broker dealers, based on a matrix pricing model that maximizes the use of observable inputs for similar securities.

The District has the following recurring fair value measurements as of June 30, 2018:

	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Total Investment</u>
<b>Investments by fair value measurement</b>			
State of Nevada Local Government Investment Pool (LGIP)	<u>\$ 1,363,598</u>	<u>\$ 3,591,335</u>	<u>\$ 4,954,933</u>

Interest Rate Risk

Interest rate risk is the risk of possible reduction in the value of a security, especially a bond, resulting from a rise in interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates beyond those specified in the statutes.

Credit Risk

Generally, credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation and is a function of the credit quality rating of investments. The LGIP is an unrated external investment pool and as noted above, the District has no formal investment policy that specifies minimum acceptable credit ratings.

**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4 – Interfund Activity**

Interfund transfers for the year ended June 30, 2018 consisted of the following:

	<u>Transfers in</u>
	<u>Capital Construction Fund</u>
Transfers out:	
General Fund	<u>\$ 500,000</u>

Transfers are made to move unrestricted revenues collected in the General Fund to finance various programs or capital improvements accounted for in other funds in accordance with budgetary authorization.

**NOTE 5 – Capital Assets**

The following schedule summarizes the changes in capital assets for the year ended June 30, 2018:

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,867,359	\$ -	\$ (461,308)	\$ 1,406,051
Total capital assets, not being depreciated	<u>1,867,359</u>	<u>-</u>	<u>(461,308)</u>	<u>1,406,051</u>
Capital assets, being depreciated:				
Buildings	18,740,547	-	(802,041)	17,938,506
Computer equipment	2,955	-	(2,955)	-
Equipment	830,014	54,553	-	884,567
Furniture	462,832	-	(50,839)	411,993
Land improvements	599,912	-	-	599,912
Library materials	9,640,646	924,412	(647,072)	9,917,986
Vehicles	87,109	-	-	87,109
Total capital assets, being depreciated	<u>30,364,015</u>	<u>978,965</u>	<u>(1,502,907)</u>	<u>29,840,073</u>
Less accumulated depreciation for:				
Buildings	(6,546,001)	(615,773)	349,779	(6,811,995)
Computer equipment	(2,955)	-	2,955	-
Equipment	(302,412)	(62,591)	-	(365,003)
Furniture	(462,832)	-	50,839	(411,993)
Land improvements	(239,965)	(29,996)	-	(269,961)
Library materials	(7,511,072)	(982,314)	647,072	(7,846,314)
Vehicles	(81,741)	(3,789)	-	(85,530)
Total accumulated depreciation	<u>(15,146,978)</u>	<u>(1,694,463)</u>	<u>1,050,645</u>	<u>(15,790,796)</u>
Total capital assets, being depreciated, net	<u>15,217,037</u>	<u>(715,498)</u>	<u>(452,262)</u>	<u>14,049,277</u>
Governmental activities capital assets, net	<u>\$ 17,084,396</u>	<u>\$ (715,498)</u>	<u>\$ (913,570)</u>	<u>\$ 15,455,328</u>

Depreciation expense was charged to functions/programs of the government as follows:

<b>Governmental Activities:</b>	
Culture and recreation	<u>\$ 1,694,463</u>

**HENDERSON DISTRICT PUBLIC LIBRARIES  
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**NOTE 6 – Long-Term Liabilities**

Long-term liabilities activity for the year ended June 30, 2018, was as follows:

	Balance June 30, 2017 (Restated)	Additions	Deletions	Balance June 30, 2018	Due in 2018-2019
Compensated absences	\$ 609,881	\$ 425,475	\$ (374,444)	\$ 660,912	\$ 363,392
Other post employment benefits	3,660,252	429,163	(579,489)	3,509,926	-
Net pension liability	6,690,690	23,525	(424,487)	6,289,728	-
Total Long-Term Liabilities	<u>\$ 10,960,823</u>	<u>\$ 878,163</u>	<u>\$ (1,378,420)</u>	<u>\$ 10,460,566</u>	<u>\$ 363,392</u>

Compensated absences, other post employment benefits and termination benefits payable typically have been liquidated by the General Fund.

**NOTE 7 – Multiple-Employer Cost-Sharing Defined Benefit Pension Plan**

The District's employees are covered by the Public Employees Retirement System of Nevada (PERS), which was established by the Nevada Legislature in 1947, effective July 1, 1948, and is governed by the Public Employees Retirement Board (the PERS Board) whose seven members are appointed by the governor. The District does not exercise any control over PERS. NRS 286.110 states that "The respective participating public employers are not liable for any obligations of the system."

PERS is a cost sharing, multiple-employer, defined benefit public employees' retirement system which includes both regular and police/fire members. PERS is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability.

Benefits, as required by NRS, are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the system on or after January 1, 2010 and July 1, 2015. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this factor is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% service time factor and for regular members entering the System on or after July 1, 2015, there is a 2.25% factor. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

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Post-retirement increases are provided by authority of NRS 286.575 - .579, which for members entering the system before January 1, 2010, is equal to the lesser of:

1. 2% per year following the third anniversary of the commencement of benefits, 3% per year following the sixth anniversary, 3.5% per year following the ninth anniversary, 4% per year following the twelfth anniversary and 5% per year following the fourteenth anniversary, or
2. The average percentage increase in the Consumer Price Index (or other PERS Board approved index) for the three preceding years.

In any event, a member's benefit must be increased by the percentages in paragraph 1, above, if the benefit of a member has not been increased at a rate greater than or equal to the average of the Consumer Price Index (All Items) (or other PERS Board approved index) for the period between retirement and the date of increase.

For members entering the System on or after January 1, 2010, the post-retirement increases are the same as above, except that the increases do not exceed 4% per year.

Regular members entering the System prior to January 1, 2010, are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with 30 years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, at age 62 with 10 years of service, or at any age with thirty years of service. Regular members entering the System on or after July 1, 2015, are eligible for retirement at age 65 with five years of service, at age 62 with 10 years of service, at age 55 with 30 years of service, or at any age with 33 1/3 years of service.

Police/fire members entering the System prior to January 1, 2010, are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/fire members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, at age 50 with twenty years of service, or at any age with thirty years of service. Only service performed in a position as a police officer or firefighter may be counted toward the eligibility for retirement as police/fire accredited service.

The normal ceiling limitation on the monthly benefit allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Both regular and police/fire members become fully vested as to benefits upon completion of five years of service.

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The authority for establishing and amending the obligation to make contributions, and member contribution rates is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. Contributions are shared equally by employer and employee. Employees can take a reduced salary and have contributions made by the employer (EPC) or can make contributions by a payroll deduction matched by the employer. The District is an employee-choice agency.

PERS's basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.

PERS receives an actuarial valuation on an annual basis for determining the prospective funding contribution rates required to fund the system on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by NRS. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450. The actuarial funding method used is the entry age normal cost method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary.

For the fiscal year ended June 30, 2017, the statutory Employer/Employee matching rate was 14.50% for regular and 20.75% for police/fire members. The Employer-Pay contribution (EPC) was 28.00% for regular and 40.50% for police/fire members.

PERS issues a publicly available Comprehensive Annual Financial Report that includes financial statements and required supplemental information. This report is available on the PERS website, [www.nvpers.org](http://www.nvpers.org) under publications.

PERS collective net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total PERS pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation Rate	2.75%
Payroll Growth	5.00%, including inflation
Investment Rate of Return	7.50%
Productivity Pay Increase	0.5%
Projected Salary Increases	Regular: 4.25% to 9.15%, depending on service Police/Fire: 4.55% to 13.90%, depending on service Rates include inflation and productivity increases
Consumer Price Index	2.75%
Other assumptions	Same as those used in the June 30, 2017 funding actuarial valuation

Actuarial assumptions used in the June 30, 2017 valuation were based on the results of the experience review completed in 2017.



**HENDERSON DISTRICT PUBLIC LIBRARIES  
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PERS's policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of PERS. The following target asset allocation policy was adopted as of June 30, 2017:

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return*
Domestic Equity	42%	5.50%
International Equity	18%	5.75%
Domestic Fixed Income	30%	0.25%
Private Markets	10%	6.80%

\*As of June 30, 2017, PERS' long-term inflation assumption was 2.75%

The discounted rate used to measure the total pension liability was 7.50% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2017, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2017.

The District's proportionate share of the net pension liability at June 30, 2017, calculated using the discount rate of 7.50%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.50%) or 1% higher (8.50%) than the current discount rate was as follows:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Net Pension Liability	\$9,507,962	\$6,289,728	\$3,616,510

Detailed information about PERS fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website, [www.nvpers.org](http://www.nvpers.org) under publications. PERS fiduciary net position and additions to/deductions from have been determined on the same basis used in the PERS Comprehensive Annual Financial Report. PERS financial statements are prepared in accordance with accounting principles generally accepted in the United States of America applicable to governmental accounting for fiduciary funds. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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The District's proportionate share (amount) of the collective net pension liability was \$6,289,728, which represents 0.04729% of the collective net pension liability. Contributions for employer pay dates within the fiscal year ending June 30, 2017, were used as the basis for determining each employer's proportionate share. Each employer's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2017.

For the period ended June 30, 2018, the District's pension expense was \$510,236 and its reported deferred outflows and inflows of resources related to pensions as of June 30, 2018, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ 412,733
Changes in assumptions	40,838	
Net difference between projected and actual earnings on investments	417,264	
Changes in proportion and differences between actual contributions and proportionate share of contributions	348,608	268,308
Contributions made subsequent to the measurement date	450,822	

At June 30, 2017, the average expected remaining service life is 6.39 years.

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling \$450,822 will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported as deferred outflows and inflows of resources excluding the changes in proportion and differences between actual contributions and proportionate share of contributions will be recognized in pension expense as follows:

<u>For the Year Ended June 30,</u>	
2019	\$ (112,797)
2020	146,016
2021	37,709
2022	(102,816)
2023	53,164
Thereafter	24,092

**HENDERSON DISTRICT PUBLIC LIBRARIES  
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Changes in the District's net pension liability were as follows:

Net pension liability, beginning of year	\$ 6,690,690
Pension expense	510,236
Employer contributions	(424,487)
Net new deferred inflows and outflows of resources	(486,711)
Net pension liability, end of year	<u>\$ 6,289,728</u>

At June 30, 2018, \$69,986 is payable to PERS, equal to the June 2018 required contribution, was included in accounts payable.

**NOTE 8 – Postemployment Benefits Other Than Pensions (OPEB)**

**Plan Description**

Retirees of the District may continue insurance through existing plans, if enrolled in PERS and an active employee at the time of retirement. The two programs available to active employees and retirees are the Clark County Self-Funded Group Medical and Dental Benefits Plan (CCSF), an agent multiple-employer defined benefit plan, and Health Plan of Nevada (HPN), a fully-insured health maintenance organization (HMO) plan.

Employees retired prior to September 1, 2008 could opt enrollment in the state program of insurance. This program, the Public Employee Benefit Program (PEBP), is an agent multiple-employer defined benefit OPEB plan.

Each plan provides medical, dental, and vision benefits to eligible active and retired employees and beneficiaries. CCSF and HPN benefit provisions are established and amended through negotiations between the District and Clark County. PEBP benefit provisions are established and may be amended by the Nevada State Legislature.

***Benefits Provided***

CCSF and HPN

Employees who retire from the District are eligible to continue their coverage under the health plans and life insurance plan offered by the District to its active employees. Coverage is available to District retirees for their lifetime.

The only conditions to be eligible for coverage as a retiree are:

1. The employee must have qualified for and started his or her retirement benefits from Nevada PERS;

**HENDERSON DISTRICT PUBLIC LIBRARIES  
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2. The employee was eligible for benefits while employed by the District; and
3. The District was the employee's last Nevada public agency employer.

The District does not pay any portion of the retiree's premiums. The premiums for all coverages are entirely at the retiree's own expense.

CCSF medical plan premium rates: The premium rates applicable to retirees with 10 or more years of service and not yet eligible for Medicare are the same as those for active employees. Increased premiums apply to retirees with less than 10 years of service and reduced premiums apply to those retirees covered by Medicare. The monthly medical premium rates for the District in effect on July 1, 2017 were:

CCSF	Less Than 5 Years of Service	6-9 Years of Service	10 or More Years of Service
Retiree Only	\$ 619.77	\$ 568.51	\$ 517.24
Retiree + Spouse	1,158.49	1,062.56	966.62
Retiree + Child(ren)	1,134.46	1,039.83	945.95
Retiree + Family	1,620.51	1,486.47	1,352.40
Surviving Spouse	619.77	568.51	517.24
<u>WITH MEDICARE</u>			
Retiree Only	417.96	383.51	349.06
Retiree + Spouse (Both Med)	939.52	861.84	784.14
Retiree + Child(ren)	932.49	854.67	777.61
Retiree + Family (Both Med)	1,456.02	1,334.97	1,214.66
Surviving Spouse	523.41	480.18	436.93

HPN medical plan premium rates: The premium rates applicable to retirees and not yet eligible for Medicare are the same as those for active employees. Reduced premiums apply to those retirees covered by Medicare. The monthly medical premium rates for the District in effect on July 1, 2017 were:

HPN	Pre Medicare	Post Medicare (Senior Diminsions)
Retiree Only	\$ 476.19	\$ 339.19
Retiree + Spouse	891.55	673.22
Retiree + Child(ren)	871.97	734.97
Retiree + Family	1,254.11	1,035.78
Surviving Spouse	476.19	339.19

**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
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Life insurance coverage: The face amount of life insurance for retirees is \$10,000 while under age 65. The face amount decreases to \$6,500 at age 65, \$5,000 at age 70, and \$2,500 at age 75. For retirees and active employees, premiums are currently at the rate of \$0.75 per month for \$10,000. For spouses, the face amount is half the employee's coverage and for dependents, the face amount is one quarter of the employee's coverage. The premiums for dependents are currently at the rate of \$1.54 per month, regardless of the number of dependents.

PEBP

PEBP closed to non-State public agency retirees on September 1, 2008. However, the District is responsible for a portion of the PEBP subsidy for retirees that were enrolled in PEBP prior to that date. The subsidy is shared on a pro-rata basis by the employers for which the retiree has worked and earned PERS service credit.

The Nevada Legislature changes the benefit subsidies from time to time. The monthly subsidy continues to be based on years of credited service under Nevada PERS, though the level differs for pre-Medicare and Medicare eligible retirees. The subsidy ends at the earlier of the retiree's death or the date he or she discontinues coverage.

Agency subsidy for PEBP coverage for non-state pre-medicare retirees: The subsidy provided to per-Medicare retirees varies based on the type of plan selected (PPO or HMO) and by the level of coverage taken (e.g., single, two party, family, etc.). The subsidy is paid on a pay-as-you-go basis and is set, and may only be amended, by the Nevada State Legislature. In fiscal year 2018, this subsidy for the District ranged from \$20-204 per month, per retiree.

***Employees covered by benefit terms***

CCSF and HPN

There are 58 active employees for the July 2017 valuation, 37 are participating in the CCSF plan and 21 are participating in the HPN plan. There are four retirees participating in the plans.

PEPB

There are no active employees covered by or eligible for coverage under PEPB. There are seven retirees former employees for whom the District pays a subsidy toward the cost of PEPB coverage.

***Contributions***

CCSF and HPN

District contributions to the Plan occur as benefits are paid to retirees. Benefit payments occur in the form of indirect payments to retirees in the form of higher premiums for active employees ("implicit subsidies"). District contributions to the CCSF Plan were \$2,577 and \$43 to the HPN Plan for the year ended June 30, 2018 (measurement period ended June 30, 2017).

**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**PEBP**

District contributions to the Plan occur as benefits are paid to retirees. In this PEBP program, the only benefit payments occur in the form of direct payments to PEBP on behalf of currently covered retirees. Contributions to the Plan from the District were \$6,105 for the year ended June 30, 2018 (measurement period ended June 30, 2017).

***Plan Financial Reports***

The CCSF is not administered as a qualifying trust or equivalent arrangement, as defined by GASB Statement No. 45, and is included in the Clark County comprehensive annual financial report (CAFR) as an internal service fund (the Self-Funded Group Insurance Fund). The CCSF report is available at <http://www.clarkcountynv.gov/finance/comptroller/Pages/CAFR.aspx>.

Information about PEBP's financial report is available at <https://pebp.state.nv.us/>.

**OPEB Liability**

***Net OPEB Liability***

At June 30, 2018, the District reported a net OPEB liability of \$216,406 for PEBP, \$256,648 for HPN and \$3,036,872 for CCSF. The net liability was measured as of June 30, 2017 and the total liability was determined by an actuarial valuation as of June 30, 2017. An OPEB trust has not been established so the total liability is equal to net liability. There are no assets accumulated in a trust that meet the criteria in GASB 75 (paragraph 4) to pay related benefits. Total OPEB liability as of June 30, 2017 reflects a change in the use of discount rates of 2.85% as of June 30, 2016 and 3.58% as of June 30, 2017. There were no other significant changes of actuarial assumptions. The projections are based on established patterns of practice.

***OPEB Liability Discount Rate Sensitivity***

The following presents the net OPEB liability calculated using the discount rate of 3.58%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Net OPEB Liability - PEBP	\$ 251,454	\$ 216,406	\$ 188,540
Net OPEB Liability - HPN	296,546	256,648	222,692
Net OPEB Liability - Self-Funded	3,733,277	3,036,872	2,497,114

**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
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***OPEB Liability Healthcare Cost Trend Rates Sensitivity***

The following presents the net OPEB liability calculated using current healthcare cost trend rates, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Net OPEB Liability - PEBP	\$ 187,895	\$ 216,406	\$ 251,555
Net OPEB Liability - HPN	178,295	256,648	433,732
Net OPEB Liability - Self-Funded	2,109,217	3,036,872	4,402,328

***Actuarial Assumptions***

The total OPEB liability for all three plans was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation Rate	2.75%
Salary increases	Ranges from 4.25% to 13.90% based on years of service, including inflation
Discount rate	3.58%
Funding method	Entry age, level percent of pay
Healthcare cost trend rates	PPO subsidy increase: 7.25% for 7/1/18, 7.00% for 7/1/19, 6.75% for 7/1/20, decreasing at a rate of .25% per year for later years HMO Pre-Medicare subsidy increase: 6.75% for 7/1/18, decreasing at a rate of .25% per year through 7/1/27, and 4.50% for later years HMO Medicare subsidy increase: 6.25% for 7/1/18, decreasing at a rate of .25% per year through 7/1/25, and 4.50% for later years

The basic mortality rates used in this valuation are based on the Nevada PERS Actuarial Experience Study for the period from July 1, 2006 through June 30, 2012. Salary scale and inflation assumptions are based on the Nevada PERS Actuarial Experience Study for the period July 1, 2012 through June 30, 2016.



**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

***Changes in the Net OPEB Liability***

	Increase(decrease)		
	Total OPEB liability (a)	Plan fiduciary net position (b)	Net OPEB (asset) liability (a)-(b)
Balances at June 30, 2017	\$ 3,173,879	\$ -	\$ 3,173,879
Changes during the period:			
Service cost	282,293	-	282,293
Interest cost	98,533	-	98,533
Expected investment income	-	-	-
Employer contributions	-	2,577	(2,577)
Changes of benefit terms	-	-	-
Benefit payments	(2,577)	(2,577)	-
Assumption changes	(490,180)	-	(490,180)
Plan experience	(25,076)	-	(25,076)
Investment experience	-	-	-
Net changes	(137,007)	-	(137,007)
Balances at June 30, 2018	\$ 3,036,872	\$ -	\$ 3,036,872

	Increase(decrease)		
	Total OPEB liability (a)	Plan fiduciary net position (b)	Net OPEB (asset) liability (a)-(b)
Balances at June 30, 2017	\$ 244,105	\$ -	\$ 244,105
Changes during the period:			
Service cost	33,596	-	33,596
Interest cost	7,919	-	7,919
Expected investment income	-	-	-
Employer contributions	-	43	(43)
Changes of benefit terms	-	-	-
Benefit payments	(43)	(43)	-
Assumption changes	(28,463)	-	(28,463)
Plan experience	(466)	-	(466)
Investment experience	-	-	-
Net changes	12,543	-	12,543
Balances at June 30, 2018	\$ 256,648	\$ -	\$ 256,648

**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
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<u>PEBP</u>	Increase(decrease)		
	Total OPEB liability (a)	Plan fiduciary net position (b)	Net OPEB (asset) liability (a)-(b)
Balances at June 30, 2017	\$ 242,268	\$ -	\$ 242,268
Changes during the period:			
Service cost	-	-	-
Interest cost	6,822	-	6,822
Expected investment income	-	-	-
Employer contributions	-	6,105	(6,105)
Changes of benefit terms	-	-	-
Benefit payments	(6,105)	(6,105)	-
Assumption changes	(24,751)	-	(24,751)
Plan experience	(1,828)	-	(1,828)
Investment experience	-	-	-
Net changes	(25,682)	-	(25,682)
Balances at June 30, 2018	<u>\$ 216,406</u>	<u>\$ -</u>	<u>\$ 216,406</u>

***Plan Fiduciary Net Position***

Detailed information about PEBP's fiduciary net position is available in a separately issued PEBP financial report. CCSF and HPN do not issue separate financial reports.

***OPEB Expense***

For the year ended June 30, 2018, the District recognized OPEB expense for PEBP of (\$32,217), for HPN of \$38,941, and for CCSF of \$326,641.

***Deferred Outflows/Inflows of Resources Related to OPEB***

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
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<u>CCSF</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumption	\$ -	\$ 441,084
Net difference between projected and actual earning on investments		22,564
Total	<u>\$ -</u>	<u>\$ 463,648</u>

Expected average remaining service life: 9.98 years

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

Year Ending June 30,	Deferred Outflows (Inflows) of Resources
2019	\$ (51,608)
2020	(51,608)
2021	(51,608)
2022	(51,608)
2023	(51,608)
Thereafter	(205,608)

<u>HPN</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumption	\$ -	\$ 25,973
Net difference between projected and actual earning on investments		425
Total	<u>\$ -</u>	<u>\$ 26,398</u>

Expected average remaining service life: 11.43 years

**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

Year Ending June 30,	Deferred Outflows (Inflows) of Resources
2019	\$ (2,531)
2020	(2,531)
2021	(2,531)
2022	(2,531)
2023	(2,531)
Thereafter	(13,743)

<u>PEBP</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 6,355	\$ -
Total	<u>\$ 6,355</u>	<u>\$ -</u>

The amount \$6,355 reported as deferred inflows of resources related to OPEB resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year.

**Combined Balances for OPEB Plans**

The combined balances for all three plans as of and for the year ended June 30, 2018 are as follows:

	CCSF	HPN	PEBP	Combined
Net OPEB Liability	\$ 3,036,872	\$ 256,648	\$ 216,406	\$ 3,509,926
Deferred Outflows	-	-	6,355	6,355
Deferred Inflows	463,648	26,398	-	490,046
OPEB Expense	326,641	38,941	(32,217)	333,365

**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**NOTE 9 – Tax Abatements**

The State of Nevada has entered into various tax abatement agreements that reduce the Consolidated Tax (Basic City-County Relief Tax and Supplemental City-County Relief Tax) revenues received by the District. The State's tax abatement programs that reduce tax revenues include the following:

**NRS 360.753** - Partial abatement of one or more of personal property and local sales and use taxes imposed on aircraft, components of aircraft and other personal property used for certain purposes related to aircrafts.

**NRS 360.754** - Partial abatement of one or more property and local sales and use taxes imposed on a new or expanded data center.

**NRS 374.357** - Partial abatement sales and use taxes imposed on eligible machinery or equipment used by certain new or expended businesses.

**NRS 701A.370** - Partial abatement of one or more property and local sales and use taxes imposed on renewable energy facilities.

Clark County, Nevada has entered into various tax abatement agreements that reduce the property tax revenues received by the District. The County's tax abatement programs that reduce tax revenues include the following:

**NRS 361.0687** - Partial abatement of personal property imposed on certain new or expended businesses.

**NRS 361.484** - Abatement of taxes on real or personal property acquired by Federal Government, State, or political subdivision.

**NRS 701A.110** - Partial abatement of certain property taxes for buildings or structures that meet certain standards under Green Building Rating System.

Reported below is the gross dollar amount, on an accrual basis, by which these governmental agencies' abatements reduced the District's tax revenues:

**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Abatements	
	Consolidated Taxes	Property Taxes
State of Nevada		
NRS 360.753	\$ 612	\$ -
NRS 360.754	7,733	-
NRS 374.357	5,182	-
NRS 701A.370	944	-
Clark County, Nevada		
NRS 361.0687	-	13,028
NRS 361.484	-	468,841
NRS 701A.110	-	15,898
Total abated taxes	<u>\$ 14,471</u>	<u>\$ 497,767</u>

**NOTE 10 – Risk Management**

The District is exposed to various risks of loss related to theft of, damage to, and destruction of assets, errors and omissions. The District participates in Clark County, Nevada's insurance program to provide health insurance coverage for its employees. The District carries insurance policies for liability, fire, theft, auto, inland marine, workers compensation and Directors and Officers coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**NOTE 11 – Contracts**

The District continued the interlocal agreement with the City of Henderson (the City) whereby the City provides for assistance in updating or revising the the District master plan and allows the District to provide library services at facilities owned or operated by the City. In addition, this agreement provides for the appointment of two members of the Board of Trustees by the Henderson City Council. The original term of the interlocal agreement was six years, ending on June 30, 2007. This agreement was renegotiated for another six years effective July 1, 2007 and again on July 1, 2013. The current agreement will terminate on June 30, 2019 unless renewed for an additional six years by mutual agreement of both parties.

**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

The District continued leasing 4.36 acres of land from the City of Henderson, upon which the Paseo Verde Library is located. This lease is for a period of 50 years, commencing May 16, 2000. The leased land is provided to the District at the nominal sum of \$1 per year in exchange for other considerations, such as payment of all utilities and janitorial services. This lease is renewable for an additional period of 48 years, unless cancelled by the District.

**NOTE 12 – Restatement Adjustment**

Net position as of July 1, 2017 has been restated as follows for the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployee Benefits Other Than Pensions (OPEB)*, as amended by GASB Statement No. 85, *Omnibus 2017* and for the implementation of GASB Statement No. 82, *Pension Issues-An Amendment of GASB Statements No. 67, No. 68, and No. 73*.

	Governmental Activities
Restatement adjustment- implementation of GASB 75:	
Net OPEB Liability	\$ (600,497)
Restatement adjustment- implementation of GASB 82:	
Deferred outflows - contributions subsequent to measurement date	(475,267)
Total restatement adjustment	<u>\$ (1,075,764)</u>

## HENDERSON DISTRICT PUBLIC LIBRARIES REQUIRED SUPPLEMENTARY INFORMATION

### MULTI-EMPLOYER COST-SHARING DEFINED BENEFIT PENSION PLAN PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY INFORMATION FOR THE YEAR ENDED JUNE 30, 2018 AND LAST NINE FISCAL YEARS\*

Valuation Date	Proportion of the Collective Net Pension Liability	Proportion of the Collective Net Pension Liability	Covered Payroll	Proportion of the Collective Net Pension Liability as a Percentage of Covered Payroll	PERS Fiduciary Net Position as a Percentage of Total Pension Liability
2017	0.04729%	\$ 6,289,728	\$ 3,026,147	207.85%	74.42%
2016	0.04972%	6,690,690	3,025,224	221.16%	72.23%
2015	0.04868%	5,578,394	2,914,162	191.42%	75.13%
2014	0.04508%	4,698,399	2,646,589	177.53%	76.31%

\*Information for the multiple-employer cost-sharing benefit pension plan is not available for years prior to the year ended June 30, 2014.  
As information becomes available, this schedule will ultimately present information for the ten most recent fiscal years.



**HENDERSON DISTRICT PUBLIC LIBRARIES  
REQUIRED SUPPLEMENTARY INFORMATION**

**MULTI-EMPLOYER COST-SHARING DEFINED BENEFIT PENSION PLAN  
PROPORTIONATE SHARE OF STATUTORILY REQUIRED CONTRIBUTION INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2018 AND LAST NINE FISCAL YEARS<sup>1</sup>**

Valuation Date	Statutorily Required Contribution	Contributions in relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 450,822	\$ 450,822	\$ -	\$ 3,213,842	14.03%
2017	424,487	424,487	-	3,026,147	14.03%
2016	421,540	421,540	-	3,025,224	13.93%
2015	375,695	375,695	-	2,914,162	12.89%

1. Information for the multiple-employer cost-sharing benefit pension plan is not available for years prior to the year ended June 30, 2015. As information becomes available, this schedule will ultimately present information for the ten most recent fiscal years.

All contributions shown reflect employer-paid contributions only. Member contributions are excluded. All values are restated due to GASB No. 82, which classifies contributions as member contributions for the purposes of GASB No. 68 if they are made by an employer to satisfy what are actually deemed to be member contribution requirements.

**HENDERSON DISTRICT PUBLIC LIBRARIES  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS  
CLARK COUNTY SELF-FUNDED GROUP MEDICAL AND DENTAL BENEFITS PLAN  
JUNE 30, 2018  
LAST 10 FISCAL YEARS\***

	Reporting Fiscal Year (Measurement Date)
	2018 (2017)
Total OPEB Liability	
Service Cost	\$ 282,293
Interest Cost	98,533
Changes Of Benefit Terms	-
Benefit Payments	(2,577)
Assumption Changes	(490,180)
Plan Experience	(25,076)
Net change in total OPEB liability	(137,007)
Total OPEB liability - beginning	3,173,879
Total OPEB liability - ending (a)	<u>\$ 3,036,872</u>
Plan fiduciary net position	
Employer contributions	\$ 2,577
Net investment income	-
Benefit payments	(2,577)
Investment experience	-
Net change in plan fiduciary net position	-
Plan fiduciary net position - beginning	-
Plan fiduciary net position - ending (b)	<u>\$ -</u>
Net OPEB liability - ending (a) - (b)	\$ 3,036,872
Covered payroll	\$ 3,135,190
Net OPEB liability as a percentage of covered payroll	96.86%

\*GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present the information for those years for which information is available.

**HENDERSON DISTRICT PUBLIC LIBRARIES  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS  
HEALTH PLAN OF NEVADA  
JUNE 30, 2018  
LAST 10 FISCAL YEARS\***

	Reporting Fiscal Year (Measurement Date)
	2018 (2017)
Total OPEB Liability	
Service Cost	\$ 33,596
Interest Cost	7,919
Changes Of Benefit Terms	-
Benefit Payments	(43)
Assumption Changes	(28,463)
Plan Experience	(466)
Net change in total OPEB liability	12,543
Total OPEB liability - beginning	244,105
Total OPEB liability - ending (a)	\$ 256,648
Plan fiduciary net position	
Employer contributions	\$ 43
Net investment income	-
Benefit payments	(43)
Investment experience	-
Net change in plan fiduciary net position	-
Plan fiduciary net position - beginning	-
Plan fiduciary net position - ending (b)	\$ -
Net OPEB liability - ending (a) - (b)	\$ 256,648
Covered payroll	\$ 3,135,190
Net OPEB liability as a percentage of covered payroll	8.19%

\*GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present the information for those years for which information is available.

**HENDERSON DISTRICT PUBLIC LIBRARIES  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS  
PUBLIC EMPLOYEE BENEFIT PROGRAM  
JUNE 30, 2018  
LAST 10 FISCAL YEARS\***

	Reporting Fiscal Year (Measurement Date)
	2018 (2017)
Total OPEB Liability	
Service Cost	\$ -
Interest Cost	6,822
Changes Of Benefit Terms	-
Benefit Payments	(6,105)
Assumption Changes	(24,751)
Plan Experience	(1,828)
Net change in total OPEB liability	(25,862)
Total OPEB liability - beginning	242,268
Total OPEB liability - ending (a)	\$ 216,406
Plan fiduciary net position	
Employer contributions	\$ 6,105
Net investment income	-
Benefit payments	(6,105)
Investment experience	-
Net change in plan fiduciary net position	-
Plan fiduciary net position - beginning	-
Plan fiduciary net position - ending (b)	\$ -
Net OPEB liability - ending (a) - (b)	\$ 216,406
Covered payroll	N/A**
Net OPEB liability as a percentage of covered payroll	0.00%

\*GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present the information for those years for which information is available.

\*\*The Public Employee Benefit Program is a closed plan and, therefore, there is not covered payroll.

**HENDERSON DISTRICT PUBLIC LIBRARIES  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF OPEB CONTRIBUTIONS  
CLARK COUNTY SELF-FUNDED GROUP MEDICAL AND DENTAL BENEFITS PLAN  
JUNE 30, 2018  
LAST 10 FISCAL YEARS\***

	Reporting Fiscal Year (Measurement Date)
	2018 (2017)
Contractually required contribution	
Contributions in relation to the	\$ 2,577
contractually required contributions	(2,577)
Contribution deficiency (excess)	<u>\$ -</u>
Covered payroll	\$ 3,135,190
Contributions as a percentage of covered payroll	0.08%

**SCHEDULE OF OPEB CONTRIBUTIONS  
HEALTH PLAN OF NEVADA  
JUNE 30, 2018  
LAST 10 FISCAL YEARS\***

	Reporting Fiscal Year (Measurement Date)
	2018 (2017)
Contractually required contribution	
Contributions in relation to the	\$ 43
contractually required contributions	(43)
Contribution deficiency (excess)	<u>\$ -</u>
Covered payroll	\$ 3,135,190
Contributions as a percentage of covered payroll	0.00%

\*GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present the information for those years for which information is available.

**HENDERSON DISTRICT PUBLIC LIBRARIES  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF OPEB CONTRIBUTIONS  
PUBLIC EMPLOYEE BENEFIT PROGRAM  
JUNE 30, 2018  
LAST 10 FISCAL YEARS\***

	Reporting Fiscal Year (Measurement Date)
	2018 (2017)
Contractually required contribution	
Contributions in relation to the	\$ 6,105
contractually required contributions	(6,105)
Contribution deficiency (excess)	\$ -
Covered payroll	N/A**
Contributions as a percentage of covered payroll	0.00%

\*GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present the information for those years for which information is available.

\*\*The Public Employee Benefit Program is a closed plan and, therefore, there is not covered payroll.

**HENDERSON DISTRICT PUBLIC LIBRARIES  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2018**

**NOTE 1 – Multiple-Employer Cost-Sharing Defined Pension Plan**

For the year ended June 30, 2018, there were no changes in the pension benefit plan terms to the actuarial methods and assumptions used in the actuarial valuation report dated June 30, 2017.

**NOTE 2 – Other Post Employee Benefits - Factors that Affect Trends**

The following changes were made since the prior valuation:

1. The discount rate was changed from 4.00% to a blend of the long-term investment return of 4.00% and the 20-year municipal bond rate of 3.58% as of June 30, 2017,
2. The discount rate was updated from 2.85% based on the municipal bond rate as of June 30, 2017.
3. The actuarial cost method was changed from Entry age level dollar to Entry age level percent of pay.

**NOTE 2 – Other Post Employee Benefits - Plan Assets**

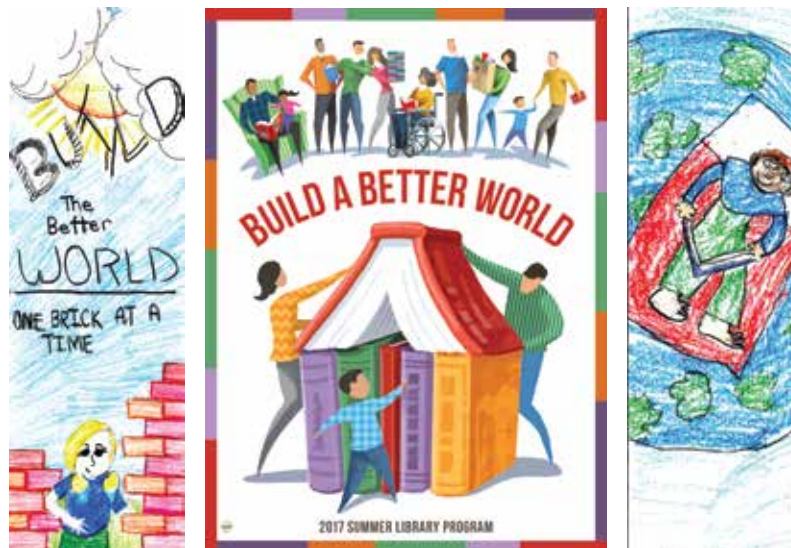
There are no assets accumulated in a trust that meet the criteria in GASB 75 (paragraph 4) to pay related benefits.

## MAJOR CAPITAL PROJECTS FUND

To account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the improvement, acquisition or construction of capital facilities and other capital assets.

## NONMAJOR CONTRIBUTIONS AND GRANTS FUND

To account for and report donations and grants that are restricted, committed, or assigned to expenditure for specific purpose generally dictated by the donor or the grant award.



**Build a Better World:** the 2017 Summer Reading Challenge inspired young artists to create bookmarks. The contest winners were Sherry, age 14 (top); Ella, age 11 (left above); and Lucas, age 6 (right above). July, 2017.



GOVERNMENTAL funds



**HENDERSON DISTRICT PUBLIC LIBRARIES**

**MAJOR - CAPITAL PROJECTS FUND - CAPITAL CONSTRUCTION FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<b><u>Original and Final Budget</u></b>	<b><u>Actual Amounts</u></b>	<b><u>Variance with Original and Final Budget</u></b>
<b>REVENUES</b>			
Miscellaneous:			
Investment income	\$ 500	\$ 13,389	\$ 12,889
<b>EXPENDITURES</b>			
Current:			
Culture and recreation:			
Services and supplies	250,000	147,070	102,930
Capital outlay	300,000	17,994	282,006
Total expenditures	<u>550,000</u>	<u>165,064</u>	<u>384,936</u>
(DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES	<u>(549,500)</u>	<u>(151,675)</u>	<u>397,825</u>
OTHER FINANCING SOURCES:			
Transfers in	500,000	500,000	-
Proceeds from sales of capital assets	-	931,516	931,516
Total other financing sources	<u>500,000</u>	<u>1,431,516</u>	<u>931,516</u>
Net change in fund balance	(49,500)	1,279,841	1,329,341
Fund balance, beginning of year	97,200	96,857	(343)
Fund balance, end of year	<u>\$ 47,700</u>	<u>\$ 1,376,698</u>	<u>\$ 1,328,998</u>

**HENDERSON DISTRICT PUBLIC LIBRARIES**

**NONMAJOR - SPECIAL REVENUE FUND - CONTRIBUTIONS AND GRANTS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Intergovernmental:				
Grants, federal and state	\$ -	\$ 37,086	\$ 37,086	\$ -
Miscellaneous:				
Contributions from private sources	162,200	241,406	224,912	(16,494)
Investment income	1,700	1,700	4,784	3,084
Other	2,500	2,500	1,463	(1,037)
Total revenues	<u>166,400</u>	<u>282,692</u>	<u>268,245</u>	<u>(14,447)</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation:				
Services and supplies	62,583	106,461	74,919	31,542
Capital outlay	<u>213,325</u>	<u>262,783</u>	<u>178,162</u>	<u>84,621</u>
Total expenditures	<u>275,908</u>	<u>369,244</u>	<u>253,081</u>	<u>116,163</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(109,508)</u>	<u>(86,552)</u>	<u>15,164</u>	<u>101,716</u>
Net change in fund balance*	(109,508)	(86,552)	15,164	101,716
Fund balance, beginning of year	<u>224,200</u>	<u>224,200</u>	<u>302,996</u>	<u>78,796</u>
Fund balance, end of year	<u>\$ 114,692</u>	<u>\$ 137,648</u>	<u>\$ 318,160</u>	<u>\$ 180,512</u>

\* The net change in fund balance was included in the budget as an appropriation (i.e., spenddown) of fund balance.



# STATISTICAL section

*This part of HDPL's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about HDPL's overall financial health.*

## CONTENTS

### FINANCIAL TRENDS .....69-72

These schedules contain trend information to help the reader understand how HDPL's financial performance and well being have changed over time.

### REVENUE CAPACITY .....73-76

These schedules contain information to help the reader assess the factors affecting HDPL's most significant local revenue source, the property tax.

### DEBT CAPACITY .....77-79

These schedules contain information to help the reader assess the affordability of HDPL's current levels of outstanding debt and HDPL's ability to issue additional debt in the future.

### DEMOGRAPHIC AND ECONOMIC INFORMATION.....80-81

These schedules offer demographic and economic indicators to help the reader understand the environments within which HDPL's financial activities take place and to help make comparisons over time and with other governments.

### OPERATING INFORMATION .....82-86

These schedules contain information about HDPL's operations and resources to help the reader understand how HDPL's financial information relates to the services HDPL provides and the activities it performs.

*SOURCES: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.*

Table 1

HENDERSON DISTRICT PUBLIC LIBRARIES

**Net Position by Components**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*  
(unaudited)

**Governmental activities**

Fiscal Year	Net investment in capital assets	Restricted by grants and donors	Unrestricted	Total
2009 <sup>1</sup>	\$ 17,263,269	\$ -	\$ 2,056,167	\$ 19,319,436
2010	19,098,166	-	2,527,554	21,625,720
2011	18,958,442	-	1,667,718	20,626,160
2012	18,183,276	125,477	1,347,258	19,656,011
2013 <sup>1</sup>	17,416,700	177,901	1,380,475	18,975,076
2014 <sup>1</sup>	17,279,487	233,711	(4,013,566)	13,499,632
2015	18,173,212	328,177	(5,544,627)	12,956,762
2016	17,725,369	395,956	(5,707,198)	12,414,127
2017 <sup>1</sup>	17,084,396	224,784	(6,184,440)	11,124,740
2018	15,455,328	241,524	(5,005,347)	10,691,505

<sup>1</sup> Restated

Table 2

## HENDERSON DISTRICT PUBLIC LIBRARIES

### Changes in Net Position, Last Ten Fiscal Years (accrual basis of accounting) (unaudited)

	2009	2010	2011	2012	2013	2014	2015	2016	2017 (Restated)	2018
<b>Expenses</b>										
Governmental activities:										
Culture and recreation	\$ 8,313,183	\$ 9,848,591	\$ 8,969,464	\$ 8,473,056	\$ 7,966,369	\$ 7,839,070	\$ 8,139,743	\$ 8,297,427	\$ 9,562,031	\$ 8,840,297
Debt service:										
Interest on long-term debt	50,572	125,923	99,103	66,597	40,810	36,043	1,754	-	-	-
Total governmental activities expenses	<u>\$ 8,363,755</u>	<u>\$ 9,974,514</u>	<u>\$ 9,068,567</u>	<u>\$ 8,539,653</u>	<u>\$ 8,007,179</u>	<u>\$ 7,875,113</u>	<u>\$ 8,141,497</u>	<u>\$ 8,297,427</u>	<u>\$ 9,562,031</u>	<u>\$ 8,840,297</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services	\$ 228,371	\$ 292,907	\$ 263,212	\$ 259,648	\$ 221,201	\$ 181,480	\$ 206,464	\$ 229,292	\$ 202,895	\$ 200,238
Operating grants and contributions	308,851	128,735	416,669	212,403	202,180	257,682	360,226	258,677	321,778	205,940
Capital grants and contributions	8,175,815	350,133	231,452	316,981	282,844	521,035	230,594	192,908	216,309	216,591
Total governmental activities program revenues	<u>\$ 8,713,037</u>	<u>\$ 771,775</u>	<u>\$ 911,333</u>	<u>\$ 789,032</u>	<u>\$ 706,225</u>	<u>\$ 960,197</u>	<u>\$ 797,284</u>	<u>\$ 680,877</u>	<u>\$ 740,982</u>	<u>\$ 622,769</u>
<b>Net (Expense)/Revenue, governmental activities</b>	<u>\$ 349,282</u>	<u>\$ (9,202,739)</u>	<u>\$ (8,157,234)</u>	<u>\$ (7,750,621)</u>	<u>\$ (7,300,954)</u>	<u>\$ (6,914,916)</u>	<u>\$ (7,344,213)</u>	<u>\$ (7,616,550)</u>	<u>\$ (8,821,049)</u>	<u>\$ (8,217,528)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Ad valorem taxes	\$ 6,525,240	\$ 6,527,652	\$ 5,439,056	\$ 4,979,157	\$ 4,750,001	\$ 4,714,283	\$ 4,680,208	\$ 4,875,965	\$ 4,991,327	\$ 5,265,797
Consolidated taxes	1,846,780	1,643,082	1,712,657	1,800,833	1,889,946	1,999,330	2,118,460	2,188,417	2,520,623	2,438,874
Gain on sale of asset	-	1,315,504	-	-	-	-	-	-	-	17,946
Investment earnings	146,825	22,785	5,961	482	1,886	2,086	2,675	9,533	19,712	61,676
Extraordinary item	-	-	-	-	-	-	-	-	-	-
Proceeds from early termination of lease	-	2,000,000	-	-	-	-	-	-	-	-
Total governmental activities	<u>\$ 8,518,845</u>	<u>\$ 11,509,023</u>	<u>\$ 7,157,674</u>	<u>\$ 6,780,472</u>	<u>\$ 6,641,833</u>	<u>\$ 6,715,699</u>	<u>\$ 6,801,343</u>	<u>\$ 7,073,915</u>	<u>\$ 7,531,662</u>	<u>\$ 7,784,293</u>
<b>Changes in Net Position, governmental activities</b>	<u>\$ 8,868,127</u>	<u>\$ 2,306,284</u>	<u>\$ (999,560)</u>	<u>\$ (970,149)</u>	<u>\$ (659,121)</u>	<u>\$ (199,217)</u>	<u>\$ (542,870)</u>	<u>\$ (542,635)</u>	<u>\$ (1,289,387)</u>	<u>\$ (433,235)</u>

<sup>1</sup> Increase due to the transfer of ownership of the Green Valley Library from the Las Vegas-Clark County Library District to HDPL.

<sup>2</sup> Increase due to the sale of the James I. Gibson Library building to the City of Henderson and the early termination of the 99-year land lease on which the building was located.

Table 3

# HENDERSON DISTRICT PUBLIC LIBRARIES

## Fund Balances, Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting) (unaudited)

General Fund	2009	2010	2011 <sup>2</sup>	2012	2013	2014	2015	2016	2017	2018
Reserved	\$ 6,383	\$ 101,652	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	1,350,848	1,339,154	-	-	-	-	-	-	-	-
Nonspendable	-	-	53,572	18,924	70,121	100,830	44,906	100,258	73,992	75,257
Assigned	-	-	462,449	339,913	109,447	100,797	93,000	100,000	424,500	373,000
Unassigned	-	-	1,720,692	2,211,733	2,743,381	1,742,131 <sup>3</sup>	2,166,494	2,480,675	2,995,391	3,393,545
Total General Fund	1,357,231	1,440,806	2,236,713	2,570,570	2,922,949	1,943,758	2,304,400	2,680,933	3,493,883	3,841,802
<b>All Other Governmental Funds</b>										
Reserved	\$ 11,380	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special Revenue Funds	446,868	145,521	-	-	-	-	-	-	-	-
Capital Projects Funds	520,764	1,548,009 <sup>1</sup>	-	-	-	-	-	-	-	-
Debt Service Funds	319,748	319,829	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	3,187	-	-	-	2,685	-
Restricted	-	-	117,806	125,477	177,901	233,711	328,177	197,978	224,784	241,524
Assigned	-	-	702,820	614,774	650,960	1,822,817 <sup>3</sup>	230,455 <sup>4</sup>	119,168	172,384	1,453,334 <sup>5</sup>
Total All Other Governmental Funds	1,298,760	2,013,359	820,626	740,251	832,048	2,056,528	558,632	317,146	399,853	1,694,858
Total All Governmental Funds	\$ 2,655,991	\$ 3,454,165	\$ 3,057,339	\$ 3,310,821	\$ 3,754,997	\$ 4,000,286	\$ 2,863,032	\$ 2,998,079	\$ 3,893,736	\$ 5,536,660

## Notes:

- <sup>1</sup> The substantial increase in unreserved fund balance for the Capital Project Funds was due to the sale of the existing James I. Gibson Library building to the City of Henderson. Part of the proceeds were used to construct the new James I. Gibson Library building.
- <sup>2</sup> In fiscal year 2011, the District implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement redefined the classifications of fund balance.
- <sup>3</sup> The decrease in the unassigned fund balance of the General Fund and the increase in the assigned fund balance of the Debt Service Fund was due to a transfer between the funds. The transfer was done in anticipation of the early payoff of the outstanding debt done in July 2014.
- <sup>4</sup> The decrease in the assigned fund balance of the Debt Service Fund was due to the payoff of the outstanding debt done in July 2014.
- <sup>5</sup> The increase in the assigned fund balance of the Capital Construction Fund was due to the proceeds received from the sale of the Malcolm Library building. The proceeds were assigned for future capital improvements.

Table 4

# HENDERSON DISTRICT PUBLIC LIBRARIES

## Changes in Fund Balances, Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting) (unaudited)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues</b>										
Ad valorem taxes	\$ 6,525,240	\$ 6,527,652	\$ 5,439,056	\$ 4,979,157	\$ 4,750,001	\$ 4,636,794	\$ 4,692,251	\$ 4,876,936	\$ 4,985,237	\$ 5,269,078
Consolidated taxes	1,846,780	1,643,082	1,712,657	1,800,833	1,889,946	1,999,330	2,118,460	2,188,417	2,520,623	2,438,874
Grants	109,216	140,666	257,764	93,686	35,472	46,912	96,374	46,197	22,457	37,086
Fines and forfeits	128,247	162,321	167,812	156,290	155,588	157,630	149,798	142,080	140,707	129,848
Contributions	216,341	53,786	204,473	169,494	189,890	512,148	265,288	241,370	307,919	224,912
Investment income	146,825	22,785	5,961	482	1,886	2,086	2,675	9,533	19,712	61,676
Other income	100,124	130,586	95,400	83,543	58,079	51,199	56,666	60,166	62,188	70,390
Total revenues	9,072,773	8,680,878	7,883,123	7,283,485	7,080,862	7,406,099	7,381,512	7,564,699	8,058,843	8,231,864
<b>Expenditures</b>										
Culture and recreation:										
Salaries and wages	3,629,098	4,298,537	3,633,975	3,380,183	3,198,403	3,154,235	3,433,852	3,599,075	3,638,969	3,760,059
Employee benefits	1,083,832	1,325,451	1,213,601	1,208,696	1,159,702	1,197,711	1,291,831	1,384,304	1,355,343	1,491,277
Services and supplies	2,216,359	1,882,852	1,605,701	1,394,534	1,324,077	1,356,385	1,425,068	1,409,465	1,308,336	1,450,688
Capital outlay	3,767,819	3,903,241	803,769	878,014	740,397	1,239,378	845,895	1,063,854	860,538	818,432
Debt Service:										
Interest	50,572	125,923	99,103	63,376	41,407	36,201	4,220	-	-	-
Principal	306,800	346,400	923,800	2,015,000	172,300	177,300	1,517,900	-	-	-
Administrative and other costs	300	300	-	400	400	400	-	-	-	-
Total expenditures	11,054,780	11,882,704	8,279,949	8,940,203	6,636,686	7,161,810	8,518,766	7,456,698	7,163,186	7,520,456
Excess (deficiency) of revenues over (under) expenditures	(1,982,007)	(3,201,826)	(396,826)	(1,656,718)	444,176	244,289	(1,137,254)	108,001	895,657	711,408
<b>Other Financing Sources</b>										
Proceeds from borrowing	2,075,000	-	-	-	-	-	-	-	-	-
Proceeds from refunding	-	-	-	1,867,700	-	-	-	-	-	-
Proceeds from sales of capital assets	-	2,000,000	-	42,500	-	1,000	-	27,046	-	931,516
Total other financing sources	2,075,000	2,000,000	-	1,910,200	-	1,000	-	27,046	-	931,516
<b>Extraordinary Item</b>										
Proceeds from early termination of lease	-	2,000,000	-	-	-	-	-	-	-	-
Net change in fund balance	\$ 92,993	\$ 798,174	\$ (396,826)	\$ 253,482	\$ 444,176	\$ 245,289	\$ (1,137,254)	\$ 135,047	\$ 895,657	\$ 1,642,924
Debt Service as a percentage of noncapital expenditures	4.9%	5.9%	13.7%	25.8%	3.6%	3.6%	19.8%	0.0%	0.0%	0.0%

Table 5

**HENDERSON DISTRICT PUBLIC LIBRARIES**

**Assessed and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years  
(unaudited)**

Fiscal Year	Real Property		Personal Property		Total		Percentage of Taxable Assessed Value to Estimated Actual Taxable Value		Total Direct Tax Rate
	Assessed Value	Estimated Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value			
2008-2009	\$ 16,071,037,727	\$ 45,917,250,649	\$ 584,783,077	\$ 1,670,808,791	\$ 16,655,820,804	\$ 47,588,059,440	35%	35%	0.0590
2009-2010	13,031,450,318	37,232,715,194	482,709,443	1,379,169,837	13,514,159,761	38,611,885,031	35%	35%	0.0581
2010-2011	9,497,480,071	27,135,657,346	405,817,933	1,159,479,809	9,903,298,004	28,295,137,155	35%	35%	0.0577
2011-2012	8,532,382,809	24,378,236,597	338,969,942	968,485,549	8,871,352,751	25,346,722,146	35%	35%	0.0575
2012-2013	7,808,141,879	22,308,976,797	398,927,794	1,139,793,697	8,207,069,673	23,448,770,494	35%	35%	0.0586
2013-2014	8,020,000,967	22,914,288,477	444,819,304	1,270,912,297	8,464,820,271	24,185,200,774	35%	35%	0.0585
2014-2015	9,299,031,454	26,568,661,297	475,596,219	1,358,846,340	9,774,627,673	27,927,507,637	35%	35%	0.0593
2015-2016	10,374,179,331	29,640,512,374	583,414,483	1,666,898,523	10,957,593,814	31,307,410,897	35%	35%	0.0594
2016-2017	11,363,112,300	32,466,035,143	616,081,682	1,760,233,377	11,979,193,982	34,226,268,520	35%	35%	0.0602
2017-2018	12,182,829,161	34,808,083,317	733,138,946	2,094,682,703	12,915,968,107	36,902,766,020	35%	35%	0.0604

Source: Clark County Assessor's Office

Note: Property is reassessed each year. The county assesses property at 35 percent of actual value. Estimated actual value is calculated by dividing assessed value by that percentage. Tax rates are per \$100 of assessed value.



Table 6

HENDERSON DISTRICT PUBLIC LIBRARIES

**Ad Valorem Property Tax Rates - Direct and Overlapping<sup>1</sup> Governments**  
**Last Ten Fiscal Years**  
(unaudited)

Fiscal Year	Henderson District Public Libraries			Overlapping Rates					Total Direct & Overlapping Rates
	Operating	Debt Service	Total Direct Rate	State of Nevada	School District	County	City	Other Special District	
2008-2009	0.0590	-	0.0590	0.1700	1.3034	0.6541	0.7108	0.0086	2.8469
2009-2010	0.0581	-	0.0581	0.1700	1.3034	0.6541	0.7108	0.0100	2.8483
2010-2011	0.0577	-	0.0577	0.1700	1.3034	0.6541	0.7108	0.0070 <sup>2</sup>	2.8453
2011-2012	0.0575	-	0.0575	0.1700	1.3034	0.6541	0.7108	-	2.8383
2012-2013	0.0586	-	0.0586	0.1700	1.3034	0.6541	0.7108	-	2.8383
2013-2014	0.0585	-	0.0585	0.1700	1.3034	0.6541	0.7108	-	2.8383
2014-2015	0.0593	-	0.0593	0.1700	1.3034	0.6541	0.7108	-	2.8383
2015-2016	0.0594	-	0.0594	0.1700	1.3034	0.6541	0.7108	-	2.8383
2016-2017	0.0602	-	0.0605	0.1700	1.3034	0.6541	0.7108	-	2.8383
2017-2018	0.0604	-	0.0604	0.1700	1.3034	0.6541	0.7108	-	2.8383

Source: State of Nevada Department of Taxation's "Local Government Finance Redbook"

<sup>1</sup> Per \$100 of assessed value, constitutional limit is generally \$3.64 on any one area's combined tax rate.

<sup>2</sup> Tax rate expired in fiscal year 2011.

Table 7

HENDERSON DISTRICT PUBLIC LIBRARIES

**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**  
(unaudited)

Taxpayer	Fiscal Year 2018			Fiscal Year 2009		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Station Casinos Incorporated	\$ 214,205,041	1	1.66%	\$ 139,071,394	5	0.83%
Ascaya Incorporated	109,528,195	2	0.85%			0.00%
Basic Management Incorporated	98,357,645	3	0.76%	254,577,603	1	1.53%
M Resort	74,907,257	4	0.58%	----		----
Picerne Real Estate Group	51,572,790	5	0.40%	----		----
Harsch Investment Properties	47,809,262	6	0.37%	----		----
Greenspun Companies	44,777,763	7	0.35%	184,879,646	3	1.11%
Ranch Center Associates Limited Partnership	32,294,390	8	0.25%	----		----
Kennedy Joseph	24,972,363	9	0.19%	----		----
Colfin AI-NV	24,016,182	10	0.19%	----		----
Focus Property Group	----		----	253,748,209	2	1.52%
Lake at Las Vegas Joint Ventures	----		----	181,400,234	4	1.09%
Green Valley Ranch Gaming LLC	----		----	118,129,612	6	0.71%
W.L. Nevada, Inc	----		----	85,400,000	7	0.51%
Pardee Homes	----		----	64,492,142	8	0.39%
Pulte Homes	----		----	62,228,920	9	0.37%
Richard C. MacDonald Properties	----		----	60,644,822	10	0.36%
	<u>\$ 722,440,888</u>		<u>5.60%</u>	<u>\$ 1,404,572,582</u>		<u>8.42%</u>
Total Assessed Valuation	\$ 12,915,968,107			\$ 16,655,820,804		

Source: Clark County Assessor's Office

Table 8

HENDERSON DISTRICT PUBLIC LIBRARIES

**Ad Valorem Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
(unaudited)

Fiscal Year	Collected within the Levy Year		Collections		Total Collections to Date	
	Levy	Amount	Percentage of the Levy	in Subsequent Years	Amount	Percentage of the Current Levy <sup>1</sup>
2009	\$ 101,021,146	\$ 92,160,401	91.23%	\$ 8,702,767	\$ 100,863,168	99.84%
2010	97,786,757	89,058,480	91.07%	8,586,856	97,645,336	99.86%
2011	76,105,424	69,557,584	91.40%	6,521,720	76,079,304	99.97%
2012	68,067,035	62,318,519	91.55%	5,729,150	68,047,669	99.97%
2013	62,538,047	62,001,607	99.14%	517,661	62,519,268	99.97%
2014	63,174,826	62,745,339	99.32%	412,910	63,158,249	99.97%
2015	66,785,543	62,085,894	92.96%	4,679,744	66,765,638	99.97%
2016	71,329,485	70,929,121	99.44%	358,528	71,287,649	99.94%
2017	74,488,099	74,081,196	99.45%	314,370	74,395,566	99.88%
2018	80,918,312	80,478,708	99.46%	-	80,478,708	99.46%

Notes:

<sup>1</sup> Figured on collections to net levy (actual levy less stricken taxes).

Source: Clark County Treasurer's Office

Table 9

HENDERSON DISTRICT PUBLIC LIBRARIES

**Ratios of Outstanding Debt  
Last Ten Fiscal Years  
(unaudited)**

Fiscal Year	General Obligation Bonds	Population <sup>1</sup>	Debt per Capita	Personal Income <sup>2</sup>	Debt as a Percentage of Personal Income	Estimated Actual Value of Taxable Property <sup>3</sup>	Debt as a Percentage of Estimated Actual Value of Taxable Property
2009	\$ 3,285,200	273,804	\$ 12.00	\$ 9,653,025,150	0.03%	\$ 47,588,059,440	0.01%
2010	2,938,800	276,065	10.65	10,003,816,464	0.03%	38,611,885,031	0.01%
2011	2,015,000	277,502	7.26	8,841,491,222	0.02%	28,295,137,155	0.01%
2012	1,867,700	268,301	6.96	8,846,208,756	0.02%	25,346,722,146	0.01%
2013	1,695,400	269,916	6.28	8,690,214,958	0.02%	23,448,770,494	0.01%
2014	1,517,900	279,226	5.44	9,039,623,004	0.02%	24,185,200,774	0.01%
2015	-	286,273	-	8,355,722,814	0.00%	27,927,507,637	0.00%
2016	-	291,432	-	8,775,373,195	0.00%	31,307,410,897	0.00%
2017	-	299,278	-	9,658,153,376	0.00%	34,226,268,520	0.00%
2018	-	307,928	-	10,501,006,590	0.00%	36,902,766,020	0.00%

Sources:

<sup>1</sup>City of Henderson Community Development Department

<sup>2</sup>Applied Analysis, Las Vegas, NV

<sup>3</sup>Clark County Assessor's Office

Table 10

**HENDERSON DISTRICT PUBLIC LIBRARIES**

**Direct and Overlapping Governmental Activities Debt  
As of June 30, 2018  
(unaudited)**

	Governmental Activities Debt	Less Debt Service Fund Balance	Net Governmental Activities Debt	Percentage Applicable *	Applicable Net Governmental Activities Debt
<b>Direct Debt</b>					
Henderson District Public Libraries	\$ -	\$ -	\$ -	100.00%	\$ -
<b>Overlapping Debt</b>					
Clark County <sup>1</sup>	212,380,000	132,715,116	79,664,884	16.15%	12,865,879
Clark County School District <sup>2</sup>	2,546,995,000	75,542,599	2,471,452,401	16.15%	399,139,563
City of Henderson <sup>3</sup>	109,789,241	6,740,701	103,048,540	100.00%	103,048,540
Total Overlapping Debt	2,869,164,241	214,998,416	2,654,165,825		515,053,982
Total Direct and Overlapping Debt	\$ 2,869,164,241	\$ 214,998,416	\$ 2,654,165,825		\$ 515,053,982

Sources:

<sup>1</sup> Clark County Assessor's Office

<sup>2</sup> Clark County School District Finance Department

<sup>3</sup> City of Henderson Finance Department

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the library district. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying debt, of each overlapping government.

\*The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value. The exception to this is the City of Henderson. The boundaries of the District are contiguous with the City of Henderson, therefore the residents and businesses of the District are responsible for the entire debt of the City of Henderson.

Table 11

# HENDERSON DISTRICT PUBLIC LIBRARIES

## Debt Limit Information Last Ten Fiscal Years (unaudited)

	Fiscal Year									
	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Assessed valuation	\$ 16,655,820,804	\$ 13,514,159,761	\$ 9,903,298,004	\$ 8,871,352,751	\$ 8,207,069,673	\$ 8,464,820,271	\$ 9,774,627,673	\$ 10,957,593,814	\$ 11,979,193,982	\$ 12,915,968,107
Debt limit - 10% of assessed value	1,665,582,080	1,351,415,976	990,329,800	887,135,275	820,706,967	846,482,027	977,462,767	1,095,759,381	1,197,919,398	1,291,596,811
Debt outstanding	3,285,200	2,938,800	2,015,000	1,867,700	1,695,400	1,517,900	-	-	-	-
applicable to the limit										
Legal debt margin	\$ 1,662,296,880	\$ 1,348,477,176	\$ 988,314,800	\$ 885,267,575	\$ 819,011,567	\$ 844,964,127	\$ 977,462,767	\$ 1,095,759,381	\$ 1,197,919,398	\$ 1,291,596,811
Legal debt margin as a percentage of debt limit	99.80%	99.78%	99.80%	99.79%	99.79%	99.82%	100.00%	100.00%	100.00%	100.00%

Table 12

HENDERSON DISTRICT PUBLIC LIBRARIES

**Demographic and Economic Information**  
**Last Ten Fiscal Years**  
(unaudited)

Fiscal Year	City of Henderson Population <sup>1</sup>	Personal Income <sup>2</sup>	Per Capita Personal Income	Clark County Unemployment Rate <sup>3</sup>	Clark County School Enrollment <sup>4</sup>
2008-2009	273,804	\$ 9,653,025,150	\$ 35,255	12.30%	311,240
2009-2010	276,065	10,003,816,464	36,237	14.60%	309,476
2010-2011	277,502	8,841,491,222	31,861	13.80%	309,893
2011-2012	268,301	8,846,208,756	32,971	12.20%	308,447
2012-2013	269,916	8,690,214,958	32,196	10.10%	311,429
2013-2014	279,226	9,039,623,004	32,374	7.90%	315,087
2014-2015	286,273	8,355,722,814	29,188	7.00%	318,040
2015-2016	291,432	8,775,373,195	30,111	6.90%	319,713
2016-2017	299,278	9,658,153,376	32,272	5.10%	320,559
2017-2018	307,928	10,501,006,590	34,102	4.70%	321,648

Sources:

<sup>1</sup>City of Henderson Community Development Department

<sup>2</sup>Applied Analysis, Las Vegas, NV

<sup>3</sup>Nevada Department of Employment Security

<sup>4</sup>Clark County School District (4th Week) - Public School Enrollment Only

Table 13

HENDERSON DISTRICT PUBLIC LIBRARIES

**Principal Employers**  
**Current Year and Nine Years Ago**  
(unaudited)

Employer	Fiscal Year 2018			Fiscal Year 2009		
	Employees <sup>1</sup>	Rank	Percentage of Total City Employment	Employees <sup>1</sup>	Rank	Percentage of Total City Employment
City of Henderson	3,007	1	2.03%	3,055	1	2.27%
St. Rose Dominican Hospital - Siena	2,000-2,499	2	1.35%-1.68%	1,500-1,999	4	1.11%-1.48%
Green Valley Ranch Station Casino	1,500-1,999	3	1.01%-1.35%	1,500-1,999	2	1.11%-1.48%
Sunset Station Hotel & Casino	1,000-1,499	4	.67%-1.01%	1,000-1,499	5	.74%-1.11%
Barclays Services, LLC	1,000-1,499	5	.67%-1.01%	----	----	----
M Resort Spa & Casino	1,000-1,499	6	.67%-1.01%	1,500-1,999	3	1.11%-1.48%
Henderson Hospital	600-699	7	.40%-.47%	----	----	----
Fiesta Henderson Casino Hotel	600-699	8	.40%-.47%	700-799	7	.52%-.59%
CaptionCall, LLC	600-699	9	.40%-.47%	----	----	----
St. Rose Dominican Hospital-Rose de Lima	500-599	10	.34%-.40%	800-899	6	.59%-.67%
Medco Health LLC	----		----	700-799	8	.52%-.59%
Zappos.com	----		----	700-799	9	.52%-.59%
Ford Motor Credit Company	----		----	500-599	10	.37%-.44%

Sources:

<sup>1</sup>City of Henderson - City of Henderson Finance Department; all others from

Applied Analysis, 10100 W Charleston Blvd, Suite 200, Las Vegas, Nevada 89135

For privacy purposes, exact employment numbers are unavailable.



Table 14

HENDERSON DISTRICT PUBLIC LIBRARIES

**Full-Time Equivalent Employees by Function**  
**Last Ten Fiscal Years**  
(unaudited)

	Full-time Equivalent Employees as of June 30									
	2009	2010	2011	2012	2013 <sup>1</sup>	2014	2015	2016	2017	2018
Library Services										
Adult Services	18.0	17.5	13.5	13.5	13.5	15.0	15.5	15.0	17.0	16.5
Circulation	34.5	30.0	29.0	25.0	24.0	25.5	24.5	26.0	26.0	26.0
Outreach	4.5	4.0	4.0	4.0	----	----	----	----	----	----
Youth Services	19.0	19.0	17.5	16.0	14.0	14.5	14.5	15.0	15.0	15.0
Acquisitions & Bibliographic Services	9.0	9.0	7.0	7.0	6.5	6.5	6.5	5.5	5.5	5.5
Administration	10.5	10.5	9.5	9.5	8.5	8.0	8.0	7.0	7.0	8.0
Information Technology	5.5	5.0	6.0	6.0	5.0	6.0	6.0	6.0	6.0	6.0
Total	<u>101.0</u>	<u>95.0</u>	<u>86.5</u>	<u>81.0</u>	<u>71.5</u>	<u>75.5</u>	<u>75.0</u>	<u>74.5</u>	<u>76.5</u>	<u>77.0</u>

Notes:

<sup>1</sup> HDPL closed two smaller libraries and discontinued outreach services during fiscal year 2013. Staff from those locations/department were relocated into vacant positions at remaining locations or laid off.

Table 15

HENDERSON DISTRICT PUBLIC LIBRARIES

**Library Materials and Circulation Summary**  
**Last Ten Fiscal Years**  
(unaudited)

Fiscal Year	Items Owned	Cost of Total Collection	Cost of New Acquisitions	Cost of Disposed Items	Net Book Value of Collections <sup>1</sup>	Number of Items Circulated	Turnover Rate <sup>2</sup>
2008-2009	456,718	\$ 8,683,518	\$ 1,354,475	\$ (319,097)	\$ 3,309,855	1,422,692	3.12
2009-2010	489,104	9,718,896	1,057,625	(823,927)	3,110,637	1,842,395	3.77
2010-2011	497,151	9,952,594	938,945	(723,329)	2,754,585	1,812,475	3.65
2011-2012	509,313	10,168,210	955,418	(663,732)	2,429,447	1,777,626	3.49
2012-2013	502,930	10,459,896	965,768	(939,095)	2,171,676	1,701,858	3.38
2013-2014	486,129	10,486,569	966,594	(1,148,570)	2,083,824	1,696,453	3.49
2014-2015	474,508	10,304,593	1,016,608	(1,303,928)	2,123,562	1,723,783	3.63
2015-2016	392,978	10,017,273	1,035,222	(1,109,486)	2,190,116	1,697,746	4.32
2016-2017	357,399	9,943,009	927,380	(1,229,743)	2,129,574	1,683,276	4.71
2017-2018	335,440	9,640,646	924,412	(647,072)	2,071,672	1,626,074	4.85

Notes:

<sup>1</sup>Net book value represents total acquisition cost of circulating materials less depreciation to date.

<sup>2</sup>Turnover rate is the number of times an item is checked out. This is an average of publicly circulating items in the total collection.

<sup>3</sup>Restated.

Table 16

HENDERSON DISTRICT PUBLIC LIBRARIES

**Circulation by Location  
Last Ten Fiscal Years**  
(unaudited)

Fiscal Year	Galleria Library	Green Valley Library	Heritage Park Senior Facility Library	James I. Gibson Library	Lydia Malcolm Library	Paseo Verde Library	Pittman Library	Remote Services <sup>1</sup>	Total
2008-2009	4,490 <sup>2</sup>	76,242	----	403,138	133,343	789,622	4,982 <sup>4</sup>	10,875	1,422,692
2009-2010	15,688	433,731	5,590 <sup>5</sup>	360,198	145,863	874,057	----	7,268	1,842,395
2010-2011	17,423	388,131	11,537	430,597	129,785	813,516	----	21,486	1,812,475
2011-2012	15,570	341,536	11,381	431,238	128,926	785,748	----	63,227	1,777,626
2012-2013	6,267 <sup>7</sup>	308,647	10,166	417,838	51,974 <sup>7</sup>	827,457	----	79,509	1,701,858
2013-2014	----	300,809	10,129	395,951	----	835,318	----	154,246	1,696,453
2014-2015	----	285,222	7,368	370,030	----	840,173	----	220,990	1,723,783
2015-2016	----	273,242	8,550	348,143	----	831,912	----	235,899	1,697,746
2016-2017	----	269,988	7,140	337,697	----	820,399	----	248,052	1,683,276
2017-2018	----	258,882	6,251	335,737	----	839,287	----	185,917	1,626,074

Notes:

<sup>1</sup>Remote Services includes e-books, remote deposit collections, downloadable materials, and the bookmobile. The remote deposit collections were available between fiscal year 2006 and fiscal year 2013; the bookmobile operated between fiscal year 2006 and fiscal year 2011, and the District expanded its available downloadable books and music during fiscal year 2011.

<sup>2</sup>The Galleria Library opened in February 2009.

<sup>3</sup>Ownership of the Green Valley Library was transferred to HDPL on January 1, 2009. The building was closed for remodeling through April 2009.

<sup>4</sup>The Pittman Library closed in February 2009.

<sup>5</sup>The Heritage Park Senior Facility Library opened in January 2010.

<sup>6</sup>The James I. Gibson Library was closed for six weeks while the library was relocated to a new building.

<sup>7</sup>The Galleria Library and the Lydia Malcolm Library were closed in November 2012 due to lack of funding.

Table 17

## HENDERSON DISTRICT PUBLIC LIBRARIES

LIBRARIES	Current Address	Current Status	Service Location Information Last Ten Fiscal Years (unaudited)									
			Square Footage as of Fiscal Year-End									
			2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Galleria Library	1300 W. Sunset Rd, Ste 1121 Henderson, NV 89014	Leased	1,342	1,342	1,342	1,342	1,342	1,342	1,342	1,342	1,342	1,342
Green Valley Library	2797 N Green Valley Pkwy Henderson, NV 89014	Owned	21,410	21,410	21,410	21,410	21,410	21,410	21,410	21,410	21,410	21,410
Heritage Park Senior Facility Library	300 S Racetrack Road Henderson, NV 89015	Occupied	-----	1,829 <sup>2</sup>	1,829	1,829	1,829	1,829	1,829	1,829	1,829	1,829
James I Gibson Library	280 S Water St Henderson, NV 89015	Sold	16,850	-----	-----	-----	-----	-----	-----	-----	-----	-----
	100 W Lake Mead Parkway Henderson, NV 89015	Owned	-----	19,900 <sup>3</sup>	19,900	19,900	19,900	19,900	19,900	19,900	19,900	19,900
Lydia Malcolm Library	2960 Sunridge Heights Pkwy Henderson, NV 89074	Sold	6,030	6,030	6,030	6,030	6,030	6,030	6,030	6,030	6,030	6,030 <sup>4</sup>
Paseo Verde Library	280 S Green Valley Pkwy Henderson, NV 89012	Owned	43,313	43,313	43,313	43,313	43,313	43,313	43,313	43,313	43,313	43,313

## Notes:

<sup>1</sup>Library services at the Galleria Library were discontinued in November 2012 and the lease was terminated.

<sup>2</sup>The Heritage Park Senior Facility Library is located in the Heritage Senior Facility as a joint partnership with the City of Henderson. The City owns the facility, while the District operates a library in a portion of the facility.

<sup>3</sup>The original James I. Gibson Library building was sold to the City of Henderson at the end of fiscal year 2010. Operations were moved to new building and opened to the public on June 30, 2010.

<sup>4</sup>Library services at the Lydia Malcolm Library were discontinued in November 2012. HDPL sold the building in February 2018.

Table 18

HENDERSON DISTRICT PUBLIC LIBRARIES

**General Fund**  
**Percentage of Operating Expenditures Spent on Library Books and Materials**  
**Last Ten Fiscal Years**  
(unaudited)

	Total Expenditures	Less Capital Outlay Other than Books	Total Operating Expenditures	Total Library Books and Materials Expenditures	Percentage of Total Operating Expenditures
2008-2009	\$ 6,902,969	\$ (3,500)	\$ 6,899,469	\$ 694,093	10.06%
2009-2010	7,558,213	(34,246)	7,523,967	693,245	9.21%
2010-2011	6,775,880	(19,859)	6,756,021	585,469	8.67%
2011-2012	6,443,582	(15,070)	6,428,512	533,857	8.30%
2012-2013	6,281,241	(37,194)	6,244,047	597,903	9.58%
2013-2014	6,254,734	(38,945)	6,215,789	620,211	9.98%
2014-2015	6,599,601	(17,456)	6,582,145	535,482	8.14%
2015-2016	6,821,292	(7,950)	6,813,342	489,095	7.18%
2016-2017	6,709,174	(48,990)	6,660,184	495,575	7.44%
2017-2018	7,102,311	(33,582)	7,068,729	588,694	8.33%



# COMPLIANCE *section*



**Story Walk:** Two permanent story walk installations were installed in Henderson parks as part of the city's *Meet Me in the Park* program. Temporary story walks are placed for special events and feature favorite children's books. *Fall, 2017.*





**Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other  
Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

To the Board of Trustees  
Henderson District Public Libraries  
Henderson, Nevada

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Henderson District Public Libraries, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Henderson District Public Libraries' basic financial statements and have issued our report thereon dated November 7, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Henderson District Public Libraries' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Henderson District Public Libraries' internal control. Accordingly, we do not express an opinion on the effectiveness of the Henderson District Public Libraries' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Henderson District Public Libraries' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



HintonBurdick, PLLC  
Mesquite, Nevada  
November 7, 2018







## **Independent Auditor's Report on State Legal Compliance**

To the Board of Trustees  
Henderson District Public Libraries  
Henderson, Nevada

We have audited the basic financial statements of Henderson District Public Libraries, for the year ended June 30, 2018, and have issued our report thereon dated November 7, 2018. Our audit also included test work on Henderson District Public Libraries' compliance with selected requirements identified in the State of Nevada Revised Statutes (NRS) including, but not limited to, NRS section 354.624 and section 354.6241.

The management of Henderson District Public Libraries is responsible for the District's compliance with all requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit and make specific statements regarding funds established and the status of prior year findings and recommendations; accordingly, we make the following statements:

The District has established a number of funds in accordance with NRS 354.624 as follows:

Funds whose balance is required to be used only for a specific purpose or carried forward to the succeeding fiscal year in any designated amount:

Capital project fund:

Capital Construction Fund

Debt Service Fund

Special revenue fund:

Contributions and Grants Fund

The District appears to be using the funds expressly for the purposes for which they were created and in accordance with NRS 354.624. The funds are being administered in accordance with Generally Accepted Accounting Principles and the reserves, as applicable, appear reasonable and necessary to carry out the purposes of the funds. Sources of revenues available and fund balances are reflected in the individual fund financial statements.

The statutory and regulatory requirements of the funds are as follows:

Capital Construction Fund

Board resolution, NRS 354.6113

Debt Service Fund

Board resolution

Contributions and Grant Fund

Board resolution

The District had no statutory compliance findings from fiscal year 2017. We noted no new instances of noncompliance during the fiscal year.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, Henderson District Public Libraries' complied, in all material respects, with the requirements identified above for the year ended June 30, 2018.

The District has no funds to be reported pursuant to NRS 354.5989.

The purpose of this report is solely to describe the scope of testing of the applicable compliance requirements identified in the Nevada Revised Statutes (NRS) and the results of that testing based on state requirements. Accordingly, this report is not suitable for any other purpose.



HintonBurdick, PLLC  
Mesquite, Nevada  
November 7, 2018

